



**REGULAR MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
PUBLIC NOTICE OF BOARD OF DIRECTORS' MEETING  
WEDNESDAY, MARCH 22, 2023  
12:00 P.M.  
228 TEXAS AVENUE, SUITE A, NEW BOSTON, TX 75570**

*Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of the Riverbend Water Resources District will conduct a meeting; open to the public, on **Wednesday, March 22, 2023, at 12:00 p.m.**, at the Riverbend Water Resources District ("Riverbend") office, in the **Conference Room** located at **228 Texas Avenue, Suite A, New Boston, TX 75570.***

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

**A G E N D A**

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

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

- IV. CONSENT AGENDA ITEMS

- A. Discussion and possible action regarding February 22, 2023 Regular Meeting minutes.



- B. Discussion and possible action regarding the review of Riverbend's Capitalization Policy, Investment Policy, Water Conservation Plan, and Drought Contingency Plan.

V. REPORTS

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

VI. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

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

**A. Discussion and possible action regarding approval of a resolution reviewing and updating Riverbend's Personnel Policy Manual.**

This item pertains to the possible addition of Section 5.10 Longevity Pay to the current Personnel Policy Manual. Currently, there is not a section in the manual that discusses longevity pay. Historically, longevity pay has been paid at the rate of 1% of the employee's annual salary. Staff has put together Section 5.10 Longevity Pay to update how longevity pay is calculated and to codify it in the manual moving forward. Staff is recommending going to a set amount to be paid for each year of service for each employee up to 15 years of service. The upper cap for longevity pay would be \$2,000 and an employee would reach that cap at 15 years of service. Funds are available in the current budget to cover the costs for this change. Staff recommends approval.

**Action Item:** Consider motion for approval of RESO 20230322-01 approving the amendments and updates to the Riverbend Personnel Policy Manual.

**B. Discussion and possible action regarding approval of a resolution authorizing the addition of a credit card and therefore an increase in the credit limit with Texar Federal Credit Union.**

This item pertains to a request to add a credit card for Eli Hunt, Director of Operations. We have had a card for Operations for a long time but, typically, if Eli was traveling on business for Riverbend, he would leave the card at the office just



in case the Operations or Maintenance staff had need to use the card while he was out. As we have added several cards over the past couple of years, it would be more efficient to have a card specifically for Eli, that he could carry with him when out of the office, in addition to the ones that we have currently. Staff recommends approval.

**Action Item:** Consider motion for approval of RESO 20230322-02 authorizing the addition of a credit card and therefore an increase in the credit limit with Texar Federal Credit Union.

**C. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to execute a construction contract with Francis Excavating, LLC.**

This item is regarding the rehabilitation of two wastewater drying beds at the Ron Collins Wastewater facility. MTG Engineers has been hired for design and construction management services for the project, and recently requested bids for the construction project. Riverbend received three bids. They were Barnwell Industries, Francis Excavating, LLC and Texarkana Concrete Construction, Inc. The submittal proposals were evaluated by a team of RWRD staff, as described in the bid documents. Based on that evaluation, staff recommends that Francis Excavating, LLC's proposal offers the best value to RWRD. Funds are available for this project. Staff recommends approval.

**Action Item:** Consider motion for approval of RESO 20230322-03 authorizing the Executive Director/CEO to enter into contract negotiations with Francis Excavating, LLC to complete the rehabilitation on wastewater drying beds.

**D. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to amend the current interlocal agreement with the City of Maud, Texas to include certain water services.**

This item pertains to the current member services agreement between the City of Maud and Riverbend. Currently, the services agreement is specifically for Riverbend to provide wastewater service to the City of Maud for a flat monthly fee. Every year, after the initial year of the contract, a true-up will be done on the services and cost actually provided. The City of Maud had a need for help with water services also. This need just came up and required a quick turnaround. Staff, working with our legal counsel, amended the current agreement to now include providing both wastewater and water services. It would still be for a flat monthly fee to cover both water and wastewater services, and the true-up process would still be the same after the first year of the agreement. Staff is working with the City of



Maud to finalize the agreement and they will be considering this contract at a future council meeting. Staff recommends approval.

**Action Item:** Consider motion for approval of RESO 20230322-04 authorizing the Executive Director/CEO to amend the current interlocal agreement with the City of Maud, Texas to include certain water services.

VII. REPORTS

A. Board Members

B. Executive Director/CEO

VIII. EXECUTIVE SESSION

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

IX. NEXT REGULAR MEETING

Riverbend Regular Meeting, April 26, 2023 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, Texas 75570.

X. ADJOURNMENT

Kyle Dooley

Kyle Dooley, Executive Director/ CEO  
Riverbend Water Resources District

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

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 22, 2023**

**CONSENT AGENDA ITEM IV. A.  
February 22, 2023  
Regular Meeting Minutes**

**Regular Called Meeting  
Riverbend Water Resources District  
Board Meeting Minutes  
February 22, 2023  
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, Van Alexander, President of the Board, called the meeting to order at 12:03 p.m.

**Directors Present:**

Van Alexander, President  
Steve Mayo, Vice President  
Fred Milton, Treasurer  
Sonja Hubbard, Secretary

**Directors Absent:**

Tina Veal-Gooch, Past President

**Administration Present:**

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

**Public Present:**

Please see the attached list for additional guests.

**II. Invocation & Pledge**

Van Alexander led the invocation and the pledge of allegiance.

**III. Public Comments**

None.

**IV. Special Agenda Items for Individual Consideration**

**A. Oath of office, administered by Judge Bobby Howell, for Director Sonja Hubbard.**

Bowie County Judge Bobby Howell administered the Oath of Office swearing in returning director Sonja Hubbard.

## **V. Consent Agenda Items**

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

### **A. Discussion and possible action regarding January 25, 2023 Regular Called Meeting Minutes.**

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

## **VI. 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.**

Sonja Hubbard provided that the Ar-Tex REDI team is still working to develop access to the Texas side property at exit 206 on Interstate 30. They are also workout some issues with broadband internet services.

No action taken.

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

### **A. Discussion and possible action regarding approval of a resolution approving the first quarter financials of FY 2023.**

Tara Houck, Chief Financial Officer, presented the final version of the FY 2021 fourth quarter financials.

A motion was made by **Fred Milton** and seconded by **Steve Mayo** to approve **RESO 20230222-01** approving the first quarter financials of FY 2023. The motion passed unanimously.

### **B. Discussion and possible action regarding approval of a resolution approving the first quarter investment report for FY 2023.**

Tara Houck, Chief Financial Officer, presented the first quarter investment report for FY 2023.

A motion was made by **Sonja Hubbard** and seconded by **Steve Mayo** to approve **RESO 20230222-02** approving the first quarter investment report of FY 2023. The motion passed unanimously.

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

Kyle Dooley provided that this item pertains to the annual renewal of the District's risk management insurance. We are currently part of the TWCA Risk Management Fund and the plan includes property insurance, workers' compensation insurance, and board insurance.

A motion was made by **Fred Milton** and seconded by **Sonja Hubbard** to approve **RESO 20230222-03** authorizing the Executive Director/CEO to execute an interlocal agreement(s) for risk management insurance with the TWCA Risk Management Fund. The motion passed unanimously.

**D. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to enter into an agreement with Voltus, Inc. to enroll in a distributed energy resource agreement.**

Kyle Dooley provided that this item pertains to consider signing an agreement with Voltus, Inc. Voltus works with Southwest Power Pool, of which we are a part of that power grid. When the Southwest Power Pool power grid does not have enough capacity, Voltus works with its clients and sends out notification that the grid is overloaded, and those clients then can choose to shift their power use from the grid to generator power. These notifications are typically sent out about 10 minutes before the switch is needed. The duration of the switch is typically 10-15 minutes, and these notifications happen roughly 4 to 6 times a month. Any participation is voluntary and there is no penalty or minimum participation requirement for client to shift load to generators with notification is given. Riverbend receives payment when we participate by shifting electric load from the grid to generator power. At this time, the estimated revenue to us looks to be approximately \$4800/year. Once the new water treatment plant is completed the earning potential increases dramatically.

A motion was made by **Steve Mayo** and seconded by **Sonja Hubbard** to approve **RESO 20230222-04** authorizing the Executive Director/CEO to enter into an agreement with Voltus, Inc. to enroll in a distributed energy resource agreement. The motion passed unanimously.

## **VIII. Riverbend Reports**

### **A. Board Members**

Fred Milton will be in Washington, D.C. for the latter part of this week as well as next week.



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

Kyle Dooley provided the following updates:

Regional Water System Project: The intake application was submitted on February 3, 2023. We are waiting for a response from the Corps with any comments. The Corps has a group set up to handle the intake application separate from the group set up for the Ultimate Rule Curve. Members of this group do overlap so that should facilitate getting comments on the intake application quickly. Mr. Dooley specifically asked the group to look at the Purpose and Need section of the application first and they agreed. Next steps, if we get the Purpose and Need section reviewed first, is to add that section to the EID that is to be turned in to TWDB. The approval of the EID is what we need in order to get the funds for design and construction released by TWDB. Since the application has been turned in, we will meet with TWDB to give them an update on where we are with the intake application. He would like to get approval to move forward on the RFQs for design while TWDB reviews the EID. He has a call with TWDB this afternoon along with Matt Garcia and Kim Keefer with Pape-Dawson to strategize on when we can get the meeting with TWDB set up.

Industrial Waste Water Plant: Several different financial scenarios were presented to the Army for review the week of February 2<sup>nd</sup>. Location, bond repayment terms, as well as design all play into those different scenarios. We will discuss scheduling a meeting to discuss the options further.

Ultimate Rule Curve and Environmental & Cultural Resources Study: They are moving forward on finalizing cost estimates on the Environmental Study. That will lead to discussions on the contributed funds agreement. On the last call, they informed us that the cultural resources programmatic agreement is in an internal comment period with the Caddo Nation, SHPO, and the City of Texarkana, Texas. Once that review is complete we will respond to any comments the other stakeholders may have. .

Region D: Next meeting is March 15, 2023 at 10 a.m. at the Region 8 Educational Service Center in Pittsburg.

Kyle and Eli will be out next week to the TWCA Conference at the Lost Pines Resort in Bastrop, Texas.

No action taken.

## **XI. Executive Session**

The board stood at ease at 12:27p.m.

The board reconvened in Executive Session at 12:30 p.m. with quorum pursuant to section 551.071 and 551.072 of the Texas Open Meetings Act.

The board came out of Executive Session at 1:11 p.m.

The board reconvened with quorum at 1:12 p.m.

**X. Next Riverbend Meetings**

Riverbend Regular Meeting, Wednesday, March 22, 2023 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, Texas 75570.

**XI. Adjournment**

With no additional business to be discussed, a motion was made by **Fred Milton** and seconded by **Sonja Hubbard** to adjourn the meeting at 1:15 p.m. The motion passed unanimously.

**The minutes of the Riverbend Water Resources District Board of Directors meeting, held on February 22, 2023 were read and approved on the \_\_\_\_\_ day of \_\_\_\_\_, 2023.**

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**Van Alexander, President**

**Attest:**

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**Kyle Dooley, Executive Director/ CEO**

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 22, 2023**

**AGENDA ITEM IV. B.  
Riverbend Policy Review  
and Approval**

# **Riverbend Water Resource District**

## **Capitalization Policy**

### **March 2022**

#### **Purpose**

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

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

#### **Asset Classification**

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

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

#### General Administration

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

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

#### Infrastructure

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

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

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

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

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

1) New Construction:

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

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

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

Exception:

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

2) Replacement due to expansion or new technology:

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

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

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

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

3) Replacement due to the end of life cycle:

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

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

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

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

4) Repairs or refurbishments:

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

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

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

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

5) Contribution by other agency:

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

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

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

### **Determination of Cost**

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

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

### **Estimated Useful life**

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

### **Depreciation Method**

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

## Summary

The following table summarizes the criteria discussed above:

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

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



**Glossary:**

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

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

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

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

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

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

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

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

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

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

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

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

# **Riverbend Water Resource District**

## **Investment Policy and Strategies**

### **March 2022**

#### **Scope**

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

#### **Prudence**

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

#### **Objectives**

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

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

*Suitability* — It is important to understand the suitability of the investment to the financial requirements of the District. Only eligible investments listed in the Investment Policy and Strategies are suitable for District funds.

*Safety* — Preservation and safety of principal are also of importance. All investments shall be of high-quality securities with no perceived default risk. Market price fluctuations

will occur, however managing the weighted average days to maturity for each fund type as specified will minimize these fluctuations.

*Liquidity* — To enable the District to meet operating requirements that might be reasonably anticipated, the District's investment portfolio must maintain a sufficient level of liquidity. This shall be achieved by matching investment maturities with forecasted cash flow requirements, by maintaining at least 5% of the District's funds in overnight investments and by investing in securities with active secondary markets. Short-term investment pools and money market mutual funds provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

*Marketability* — Securities with active and efficient secondary markets are necessary in the event of unanticipated cash requirements. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

*Diversification* — Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the district. Diversifying the appropriate maturity structure will reduce market cycle risk. Also, restricting the sum of investments purchased from certain issuers will reduce the credit risk exposure of the portfolio.

*Yield* — Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling six-month treasury bill portfolio shall be the minimum yield objective or "benchmark". A secondary objective will be to obtain a yield equal to or in excess of a local government investment pool, money market mutual fund or average Federal Reserve discount rate.

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

The Investment Officer(s) shall avoid any transactions that might impair public confidence in the District's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

## **I. Investing Strategies**

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

*Operating Funds* — Investment strategies for operating funds and commingled pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to structure a portfolio, which will minimize volatility during economic cycles. This may be accomplished by purchasing high quality, short-term securities, which will complement each other in a laddered maturity structure. A dollar weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity date of each security.

*Debt Service Funds* — Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. A dollar weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity date of each security.

*Debt Service Reserve Funds* — Investment strategies for debt service reserve emergency and contingency funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate fund from securities with a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate-term maturities with stated final maturities not exceeding five (5) years and a weighted average maturity not to exceed 730 days. Volatility shall be further controlled through the purchase of securities carrying the highest coupon available, within the desired maturity and quality range, without paying a premium, if at all possible. Such securities will tend to hold their value during economic cycles.

*Construction and Special Purpose Funds* — Investment strategies for construction projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date. A dollar weighted average maturity of 730 days or less will be maintained and calculated by using the stated final maturity of each security.

## **II. Delegation of Authority and Training**

Unless already specified by law, the District must select at least one Investment Officer to be responsible for the investment of the funds. This must be done by rule, order, ordinance, or resolution, as appropriate. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the District. Therefore, it is recommended to designate as Investment Officer(s) those positions responsible for making investment decisions. Authority granted is effective until rescinded by the District, or until that person's employment is terminated. Pursuant to Section 2256.005 Subsection (f) of the Act, RWRD designates the Chief Financial Officer as an Investment Officer, a primary individual who shall be involved in investment activities to perform and execute the duties as required by the general laws of the state of Texas under oversight by the Executive Director/CEO.

Accordingly, the Investment Officer(s) of the District for the purposes of Section 2256.008 of the Act, shall receive 6 hours of training relating to their responsibility under the Act within 12 months after assuming duties. In addition, the Investment Officer(s) are required to receive 4 hours of applicable training every two years. These sessions must be completed no less often than once every two fiscal years commencing September 30, 2011 and the financial officers shall receive not less than 10 hours of instruction relating to investment responsibilities. The training must include education in investment controls, security risks, strategy risks, market risks, diversification and compliance with the Public Funds Investment Act. The investment training session shall be provided by an independent source approved by the investment committee. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the District may engage in an investment transaction. Thus, these independent sources will be training sessions sponsored by Government Treasurer's Organization of Texas, University of North Texas, Government Finance Officers Association of Texas.

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

## **III. Ethics and Conflicts of Interest**

The Public Funds Investment Act includes ethics and conflicts of interest provisions. The Investment Officer(s) and employee(s) involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Investment Officer(s) and employee(s) involved in the investment process shall sign annual statements agreeing to abide by this section of the Investment Policy and Strategies and affirming no known

conflicts of interest. The Investment Officer(s) and employee(s) involved in the investment process must file a disclosure statement with the Texas Ethics Commission and the District, if the Investment officer(s) or employee(s) has/have a personal business relationship with a business organization offering to engage in an investment transaction with the District.

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

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

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

#### **IV. Authorized Financial Dealers and Institutions (including pools)**

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

- A. When selecting broker/dealers, the District should look at:
  - Financial conditions, strength and capability to fulfill commitments;
  - Overall reputation with other dealers or investors;
  - Regulatory status of the dealer; and
  - Background and expertise of the individual representatives.
  - In addition, in order to use a broker/dealer, they have to be included on an annually reviewed authorized broker list for the District.
- B. When selecting financial institutions and bank depository institutions, the District should look at:
  - Types of collateral;
  - Security Interest Perfected; and
  - Rates.

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

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

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

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

#### **VI. Authorized and Suitable Investments**

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

- Certificates of Deposits;
- Collateralized Mortgage Obligation, secured by the Full Faith and Credit of the Federal Government;
- Federal Home Loan Mortgage Corporation;
- Freddie Mac CMO;
- GMNA II Guaranteed Pass Thru;
- Government National Mortgage Association Bonds;
- Logic Investment Pool;

- Lone State Investment Pool;
- Money Market Accounts;
- TexPool Participant Services;
- TexPool Prime Participant Services;
- TexStar Participant Services; and
- U.S. Treasury Notes

## **VII. Collateralization**

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

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

## **VIII. Safekeeping and Custody**

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

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



## **IX. Diversification**

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

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

1. Risk of market price volatility shall be controlled through maturity diversification and by controlling unacceptable maturity extensions and a mismatch of liabilities and assets. The maturity extension will be controlled by limiting the weighted average maturity of the entire portfolio to 730 days. All long-term maturities will be intended to cover long-term liabilities. In addition, five (5%) percent of the funds in the portfolio will be liquid at all times.
2. The District shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in U.S. Treasury Securities, federal agency instrumentalities, repurchase agreements, and insured/collateralized certificates of deposit and other securities or obligations. The District shall conduct a quarterly review of these guidelines and shall evaluate the probability of market and default risk in various investment sectors as part of its considerations.
3. Risk of principal loss in the portfolio as a whole shall be minimized by diversifying investment types according to the following limitations.
4. Investment Type % of Portfolio:
  - U.S. Treasury Notes/Bills 100%
  - U.S. Agencies & Instrumentalities 100%
  - State of Texas Obligations & Agencies 15%
  - Local Government Investment Pools 50%
  - Local Government Obligations (AA) 10%
  - Repurchase Agreements 25%
  - Certificates of Deposit 100%
  - U.S. Government Money Market Funds 50%
5. By Institution:
  - Repurchase Agreements — No more than 10%
  - All Other — No more than 40%
  - Investment Pools — No more than \$10,000,000

## **X. Maximum Maturities**

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

## **XI. Internal Controls**

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

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

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

## **XII. Performance Standards**

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

## **XIII. Reporting**

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

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

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

## **XIV. Investment Policy and Strategies Adoption and Annual Review**

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

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

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

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

\_\_\_\_\_  
Entity Name

\_\_\_\_\_  
Signature of Representative

\_\_\_\_\_  
Entity Address

\_\_\_\_\_  
Printed Name of Representative

\_\_\_\_\_  
Entity Address

\_\_\_\_\_  
Email Contact of Representative

\_\_\_\_\_  
Entity Phone

**SUBSCRIBED AND ACKNOWLEDGED BEFORE ME** by the said Declarant,  
\_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.  
Date Month Year

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



# Riverbend

Water Resources District

## **WATER CONSERVATION PLAN**

**RIVERBEND WATER RESOURCES DISTRICT UTILITY DISTRICT**

**NEW BOSTON, TX**

228A Texas Avenue  
New Boston, Texas 75570

March 2021

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## **FOREWORD**

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

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

### **Solicitation of Public Input**

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

### **Public Education**

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

### **Application**

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

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

### **1. Background**

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

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

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

### **2. Utility Profile**

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **3.1 Leak Detection**

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

#### **3.2 Repairs**

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

#### **3.3 Pressure**

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

#### 4. Water Rate Structure

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

**Table 4-1 Wet Utility Rates**

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

**Table 4-2 Connection Fees**

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

**Table 4-3 Tap Fees**

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

## **5. Public Education**

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

### **5.1 Residential Users**

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

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

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

### **5.3 Government Users**

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

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

#### **5.4 Additional Education**

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

#### **5.5 New Users**

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

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

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



**DROUGHT CONTINGENCY PLAN**

**RIVERBEND WATER RESOURCES DISTRICT**

**NEW BOSTON. TX**

228A Texas Avenue  
New Boston, Texas 75570

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

**April 25, 2018**

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

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

## **Section II: Public Involvement**

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

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

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

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

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

## **Section V: Authorization**

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

## **Section VI: Application**

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Best Management Practices for Supply Management:

Communication with customers to reduce daily demand.

### Water Use Restrictions for Reducing Demand:

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

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

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

Target: Achieve a 15 percent reduction in daily demand.

### Best Management Practices for Supply Management:

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

### Water Use Restrictions for Reducing Demand:

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

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

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

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

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

Target: Achieve a 20 percent reduction in daily demand

#### Best Management Practices for Supply Management:

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

#### Water Use Restrictions for Reducing Demand:

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

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

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

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

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

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

## **Section X: Contract Provisions**

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

## **Section XI: Enforcement**

### **Surcharge:**

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

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

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

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

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

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

## **Section XII: Variances**

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

- (a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- (b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

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

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

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

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

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

### **Section XIII: Severability**

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

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 22, 2023**

**AGENDA ITEM VI. A.  
RWRD RESO 20230322-01  
Personnel Policy Amendment**



**RIVERBEND RESOLUTION NO. 20230322-01**

**AUTHORIZING THE APPROVAL OF AMENDMENTS TO THE PERSONNEL  
POLICY MANUAL OF THE RIVERBEND WATER RESOURCES DISTRICT**

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

**WHEREAS**, Riverbend Water Resources District first adopted a Personnel Policy Manual on March 2, 2016 and has updated policies as needed; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Riverbend Water Resources District hereby adopts the amendment(s) to the Personnel Policy Manual as attached.

**PASSED and APPROVED this 22<sup>nd</sup> day of March 2023**

\_\_\_\_\_  
Van Alexander, President

ATTEST:

\_\_\_\_\_  
Sonja Hubbard, Secretary

Attached: Personnel Policy Manual Changes



#### 5-10 Longevity Pay

All regular full-time employees having completed one (1) year, or more, of continuous regular employment by October 1st, shall be eligible to receive longevity pay for service with the District. Payment to employees who become eligible to receive longevity pay, shall be paid the Wednesday before our Thanksgiving holidays. The amount paid to each eligible employee will be \$133.32 per year of service. The longevity amount will be processed through the payroll system and all applicable taxes will be deducted from the payment. The maximum number of years an employee will be paid for is 15. Employees who retire or resign before the longevity pay is processed, are no longer eligible for payments.



**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 22, 2023**

**AGENDA ITEM VI. B.  
RWRD RESO 20230322-02  
Credit Card Limit Increase**



**RIVERBEND RESOLUTION NO. 20230322-02**

**AUTHORIZING AN INCREASE TO THE CURRENT CREDIT CARD LIMITS WITH  
TEXAR FEDERAL CREDIT UNION**

**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 passed a resolution on May 27, 2020 to add a credit card with Texar Federal Credit Union and increase the aggregate limit of those six cards to \$90,000; and

**WHEREAS**, Riverbend Water Resources District has seen an increase in the need for credit cards for the purchase of supplies, chemicals, travel expenses, training, maintenance on the plants and vehicles. Riverbend now requires that one additional card be added to the Wet Utility fund and the aggregate limit, to be equally distributed among the 7 cards, be increased to \$105,000 to fund the general operations of the Wet Utility.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Riverbend Water Resources District approves this resolution authorizing the addition of one card to the Wet Utility fund and the limits of the credit cards with Texar Federal Credit Union be increased to \$105,000 in aggregate (seven cards for \$15,000 each).

**PASSED and APPROVED this 22<sup>nd</sup> day of March 2023**

---

Van Alexander, President

ATTEST:

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Sonja Hubbard, Secretary

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 22, 2023**

**AGENDA ITEM VII. C.  
RWRD RESO 20230322-03  
Drying Bed Construction Contract**



**RIVERBEND RESOLUTION NO. 20230322-03**

**AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO  
ENTER INTO NEGOTIATIONS AND EXECUTE AN INTERLOCAL  
AGREEMENT/CONTRACT WITH FRANCIS EXCAVATING, LLC TO COMPLETE  
THE REHABILITATION ON WASTEWATER DRYING BEDS.**

**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 entered into an agreement with MTG Engineers, Inc. for design and construction management services for the rehabilitation two drying beds at the Ron Collins Wastewater facility; and

**WHEREAS**, the request for bids placed by MTG Engineers, Inc. internet website posting to civcastusa.com yielded bids from Barnwell Industries, Francis Excavating, LLC, and Texarkana Concrete Construction, Inc.; and

**WHEREAS**, Francis Excavating, LLC. provided the lowest bid to rehabilitate two drying beds located at the Ron Collins Wastewater facility.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Riverbend Water Resources District hereby authorizes the Executive Director/CEO to execute an agreement for Construction Services with Francis Excavating, LLC to complete the construction on the rehabilitation on two drying beds located at the Ron Collins Wastewater facility. Any agreement must be reviewed and approved by general counsel.

**PASSED and APPROVED this 22<sup>nd</sup> day of March 2023**

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Van Alexander, President

**ATTEST:**

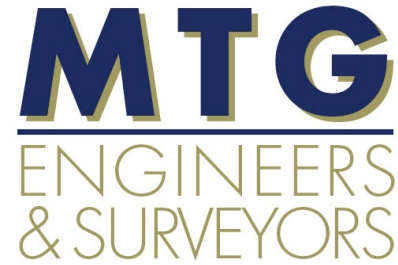
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Sonja Hubbard, Secretary



Attached: Engineer recommendation letter and bid tabulation

5930 Summerhill Rd  
Texarkana, TX 75503  
Telephone: 903.838.8533  
Facsimile: 903.832.4700  
TBPE #354



## Memorandum

Date: March 16, 2023

To: Kyle Dooley, P.E.  
Executive Director/CEO

From: David A. Williams, P.E.

Subject: Bid Recommendation  
Drying Beds No. 4 & 5 Rehabilitation  
MTG Project No. 226103

The above project was publically advertised as required by the local government code.

On March 16, 2023, bids were received from three (3) contractors for the subject project. The bid was publicly opened and read aloud.

The scope of work generally consists of the rehabilitation of the sludge drying beds no. 4 & 5 at the Ron Collins Water Reclamation Facility, including demolition of the existing drying beds, earthwork, concrete construction, piping system and filter materials, including all materials, equipment, labor and incidentals.

The summary of bids from the contractors are as follows:

| Contractor                            | Bid Amount   |
|---------------------------------------|--------------|
| Francis Excavating, LLC               | \$211,078.00 |
| Barnwell Industries                   | \$226,540.00 |
| Texarkana Concrete Construction, Inc. | \$257,340.00 |

All bids were in order with all required documents in place.

Bid tabulations are attached as attachment 1. The submitted proposals were evaluated by a team of RWRD staff in accordance with the bid documents to determine the best value to RWRD. The results of the team evaluation are included as attachment 2.

***Based on the team's evaluation, it is recommended, that the Board of Directors authorized the Executive Director to enter into a contract with Francis Excavating, LLC in the amount of \$211,078.00 for the construction of the sludge drying beds No. 4 & 5 Rehabilitation project.***

Please feel free to contact me if there are any questions or if additional information is needed.

| Riverbend Water Resources District          |          |      |  | BID SUMMARY             |              |                     |              |                                       |              |
|---|----------|------|--|-------------------------|--------------|---------------------|--------------|---------------------------------------|--------------|
| Sludge Drying Beds No. 4 & 5 Rehabilitation |          |      |  | MTG Project No. 226103  |              |                     |              |                                       |              |
|   |          |      |  | FRANCIS EXCAVATING, LLC |              | BARNWELL INDUSTRIES |              | TEXARKANA CONCRETE CONSTRUCTION, INC. |              |
| Base Bid                                    |          |      |  |                         |              |                     |              |                                       |              |
| ITEM NO.                                    | QUANTITY | UNIT | DESCRIPTION                              | UNIT PRICE              | TOTAL        | UNIT PRICE          | TOTAL        | UNIT PRICE                            | TOTAL        |
| 1   | 1        | LS   | Site Preparation & General Conditions    | \$6,788.00              | \$6,788.00   | \$10,000.00         | \$10,000.00  | \$6,480.00                            | \$6,480.00   |
| 2   | 1        | LS   | Site Demolition                          | \$18,000.00             | \$18,000.00  | \$19,040.00         | \$19,040.00  | \$13,640.00                           | \$13,640.00  |
| 3   | 1        | LS   | Sludge Drying Bed #4 & #5 Reconstruction | \$184,290.00            | \$184,290.00 | \$192,500.00        | \$192,500.00 | \$233,000.00                          | \$233,000.00 |
| 4   | 1        | LS   | Erosion & Sediment Control               | \$2,000.00              | \$2,000.00   | \$5,000.00          | \$5,000.00   | \$4,220.00                            | \$4,220.00   |
| TOTAL AMOUNT - BASE BID                     |          |      |  | \$211,078.00            |              | \$226,540.00        |              | \$257,340.00                          |              |

RON COLLINS TREATMENT RECLAMATION FACILITY  
SLUDGE DRYING BEDS NO. 4 AND 5 REHABILITATION

| CONTRACTOR          | BID PRICE     | BID PRICE | REPUTATION OF<br>THE BIDDER | QUALITY OF<br>BIDDER'S<br>SERVICES | EXTENT TO<br>WHICH GOODS OR<br>SERVICES MEET | BIDDER'S PAST<br>RELATIONSHIP<br>WITH CITY | OTHER RELEVANT<br>FACTORS | TOTAL SCORE |
|---------------------|---------------|-----------|-----------------------------|------------------------------------|--|--|---------------------------|-------------|
|                     |               | (55%)     | (15%)                       | 10%                                | 5%   | 10%  | 5%                        |             |
|                     |               |           |                             |                                    |  |  |                           |             |
| Francis Excavating  | \$ 211,708.00 | 30.00     | 24.00                       | 24.00                              | 24.00  | 15.00                                      | 15.00                     | 25.95       |
| Barnwell Industries | \$ 226,540.00 | 28.04     | 21.00                       | 22.00                              | 22.00  | 21.00                                      | 20.00                     | 24.97       |
| Texarkana Concrete  | \$ 257,340.00 | 24.68     | 24.00                       | 25.00                              | 23.00  | 24.00                                      | 22.00                     | 24.32       |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |

EVALUATOR A: ELI HUNT

EVALUATOR B: KEITH ADAMS

EVALUATOR C: AUSTIN ROBNETT

RON COLLINS TREATMENT RECLAMATION FACILITY  
SLUDGE DRYING BEDS NO. 4 AND 5 REHABILITATION

| CONTRACTOR          | BID PRICE     | BID PRICE | REPUTATION OF<br>THE BIDDER | QUALITY OF<br>BIDDER'S SERVICES | EXTENT TO WHICH<br>GOODS OR SERVICES<br>MEET OWNER | BIDDER'S PAST<br>RELATIONSHIP WITH<br>CITY | OTHER RELEVANT<br>FACTORS | TOTAL SCORE |
|---------------------|---------------|-----------|-----------------------------|---------------------------------|--|--|---------------------------|-------------|
|                     |               | (55%)     | (15%)                       | 10%                             | 5%   | 10%  | 5%                        |             |
|                     |               |           |                             |                                 |  |  |                           |             |
| Francis Excavating  | \$ 211,708.00 | 10.00     | 10                          | 10                              | 10   | 5  | 5                         | 9.25        |
| Barnwell Industries | \$ 226,540.00 | 9.35      | 9                           | 9                               | 10   | 8  | 8                         | 9.09        |
| Texarkana Concrete  | \$ 257,340.00 | 8.23      | 10                          | 10                              | 10   | 10   | 9                         | 8.97        |
|                     |               |           |                             |                                 |  |  |                           |             |
|                     |               |           |                             |                                 |  |  |                           |             |
|                     |               |           |                             |                                 |  |  |                           |             |
|                     |               |           |                             |                                 |  |  |                           |             |
|                     |               |           |                             |                                 |  |  |                           |             |
|                     |               |           |                             |                                 |  |  |                           |             |
|                     |               |           |                             |                                 |  |  |                           |             |

EVALUATOR: ELI HUNT

DATE:

3/16/2023



RON COLLINS TREATMENT RECLAMATION FACILITY  
SLUDGE DRYING BEDS NO. 4 AND 5 REHABILITATION

| CONTRACTOR          | BID PRICE     | BID PRICE | REPUTATION OF<br>THE BIDDER | QUALITY OF<br>BIDDER'S<br>SERVICES | EXTENT TO WHICH<br>GOODS OR SERVICES<br>MEET OWNER | BIDDER'S PAST<br>RELATIONSHIP WITH<br>CITY | OTHER RELEVANT<br>FACTORS | TOTAL SCORE |
|---------------------|---------------|-----------|-----------------------------|------------------------------------|--|--|---------------------------|-------------|
|                     |               | (55%)     | (15%)                       | 10%                                | 5%   | 10%  | 5%                        |             |
|                     |               |           |                             |                                    |  |  |                           |             |
| Francis Excavating  | \$ 211,708.00 | 10.00     | 5                           | 5                                  | 5  | 5  | 5                         | 7.75        |
| Barnwell Industries | \$ 226,540.00 | 9.35      | 4                           | 5                                  | 5  | 5  | 4                         | 7.19        |
| Texarkana Concrete  | \$ 257,340.00 | 8.23      | 5                           | 5                                  | 5  | 5  | 5                         | 6.77        |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |

EVALUATOR: KEITH ADAMS

DATE: 3/16/2023

RON COLLINS TREATMENT RECLAMATION FACILITY  
SLUDGE DRYING BEDS NO. 4 AND 5 REHABILITATION

| CONTRACTOR          | BID PRICE     | BID PRICE | REPUTATION OF<br>THE BIDDER | QUALITY OF<br>BIDDER'S<br>SERVICES | EXTENT TO WHICH<br>GOODS OR SERVICES<br>MEET OWNER | BIDDER'S PAST<br>RELATIONSHIP WITH<br>CITY | OTHER RELEVANT<br>FACTORS | TOTAL SCORE |
|---------------------|---------------|-----------|-----------------------------|------------------------------------|--|--|---------------------------|-------------|
|                     |               | (55%)     | (15%)                       | 10%                                | 5%   | 10%  | 5%                        |             |
|                     |               |           |                             |                                    |  |  |                           |             |
| Francis Excavating  | \$ 211,708.00 | 10.00     | 9                           | 9                                  | 9  | 5  | 5                         | 8.95        |
| Barnwell Industries | \$ 226,540.00 | 9.35      | 8                           | 8                                  | 7  | 8  | 8                         | 8.69        |
| Texarkana Concrete  | \$ 257,340.00 | 8.23      | 9                           | 10                                 | 8  | 9  | 8                         | 8.57        |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |
|                     |               |           |                             |                                    |  |  |                           |             |

EVALUATOR: AUSTIN ROBNETT

DATE: 3/16/2023

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 22, 2023**

**AGENDA ITEM VI. D.  
RWRD RESO 20230322-04  
Water Services Contract**



**RIVERBEND RESOLUTION NO. 20230322-04**

**AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO AMEND THE CURRENT  
INTERLOCAL AGREEMENT WITH THE CITY OF MAUD, TEXAS TO INCLUDE  
CERTAIN WATER SERVICES**

**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**, the City of Maud, Texas formed in 1941 is a General Law Municipality operating under an aldermanic form of government consisting of a mayor and five aldermen in accordance with applicable state statutes, serving a current population of 1,056 residents based on the most recent 2010 Census; and

**WHEREAS**, the City of Maud, Texas has a need for certain water services to support its water treatment facility; and

**WHEREAS**, Riverbend Water Resources District provides certain needed services and is fully qualified and certified to perform these services; and

**NOW, THEREFORE, BE IT RESOLVED** that the Executive Director/CEO shall be and is hereby authorized to amend the current interlocal agreement with the City of Maud, Texas to include certain water services on terms substantially the same as attached hereto and further reviewed by general counsel.

**PASSED and APPROVED this 22<sup>nd</sup> day of March 2023**

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Van Alexander, President

ATTEST:

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Sonja Hubbard, Secretary

Attached: Services Contract-City of Maud

**AMENDED INTERLOCAL AGREEMENT FOR  
WATER AND WASTEWATER SYSTEM OPERATIONS AND  
MAINTENANCE SERVICES**

This Interlocal Agreement for Water and Wastewater System Operations and Maintenance Services (this “Agreement”) is entered into and effective on the \_\_\_\_ day of \_\_\_\_\_, 2023 (the “Effective Date”) between Riverbend Water Resources District (“Riverbend”), a political subdivision of the State of Texas, and City of Maud, a general law city incorporated under the laws of the State of Texas (“City”), each acting by and through its undersigned, duly authorized representatives. Riverbend and City may be individually referred to as “Party” and collectively referred to as the “Parties.” This document amends the Interlocal Agreement for Wastewater System Operations and Maintenance Services that the Parties previously agreed to and became effective on October 1, 2022.

**RECITALS**

WHEREAS, the Texas Legislature has authorized the formulation of interlocal cooperation agreements between and among governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, as amended;

WHEREAS, City owns and operates a water storage and distribution system within its corporate boundaries; and

WHEREAS, City owns and operates a wastewater treatment and distribution system within its corporate boundaries; and

WHEREAS, Riverbend provides water and wastewater operation and maintenance services;

WHEREAS, the Parties have determined that it would be advantageous for Riverbend to manage, operate, and maintain City’s water storage and distribution system and its wastewater collection facilities;

WHEREAS, the governing bodies of each Party find that the undertaking is necessary for the benefit of the public, is in the common interest of both Parties and that each Party has the legal authority to provide such service;

WHEREAS, the covenants and promises set forth in this Agreement constitute adequate consideration to each Party; and

WHEREAS, the Parties, in paying for the performance of governmental functions or in performing such governmental functions pursuant to this Agreement shall make payments therefor only from current revenues legally available to such Party.

Therefore, for and in consideration of the premises, and the mutual agreements set forth below, Riverbend and City agree as follows:

## **AGREEMENTS**

### **ARTICLE I. WATER AND WASTEWATER OPERATIONS AND MAINTENANCE SERVICES**

- 1.1 Generally. Riverbend will perform the following services as an independent contractor:
- a. the operation, maintenance, and repair of the City's water storage and distribution system as reasonably necessary to meet the demand for water by City's customers and distributing such water to City's customers.
  - b. the operation, maintenance, and repair of City's wastewater collection system as reasonably necessary to meet the demand for wastewater collection by City's customers and conveying such wastewater to City's treatment facility for the treatment of domestic wastewater;
  - c. routine preventive maintenance of the City's water storage and distribution system, and its wastewater collection facilities;
  - d. laboratory testing and analysis;
  - e. maintaining records of Chlorine and other chemicals used to treat and/or supplement the water system; and
  - f. preparation and prompt delivery of all applicable and required filings, including discharge monitoring reports, DLQOR Quarterly Reports, Water Monitoring Plan, Nitrification Action Plan, and Revised Total Coliform Plan to City and to regulatory agencies as prescribed by applicable law.
- 1.2 Regulatory Requirements. The term "routine", as used herein with respect to regulatory reports, laboratory analyses or tests, or other requirements imposed by governmental entities with jurisdiction over water and wastewater systems, means reports, analyses or tests that are customary or required by applicable law and regulations as of the Effective Date of this Agreement. If reporting, analysis, or testing requirements increase during the term of this Agreement, these increased reporting, analysis, or testing requirements will not be deemed routine and will be subject to an additional charge(s) under this Agreement to cover the increased cost. City will comply with all applicable laws and state regulations pertaining to the management, ownership, operation, maintenance, repair and replacement of its water and wastewater system to the extent the responsibility of such compliance is not specifically assumed by Riverbend under the terms of this Agreement. Riverbend shall not be responsible for City's failure to comply with any provision of state law or regulation that is not specifically assumed by Riverbend hereunder.
- 1.3 Maintenance and Repair. The term "routine", as used with respect to maintenance and repair, means work performed to assure or extend the useful life of the water system and wastewater plant equipment that does not require specialized skills or tools, and is performed at regular intervals. Routine maintenance will be provided as part of the Basic Services as specified in Article III.

- 1.4 Licenses, Permits, and Approvals. Riverbend will obtain and maintain in effect, at all times during the term of this Agreement, all local, state, and federal licenses, permits, registrations, and other approvals necessary for performing its obligations under this Agreement.
- 1.5 Staffing. Riverbend will provide qualified personnel to provide the services required under this Agreement. All employees of Riverbend will readily identify themselves when communicating with City's customers and the general public. Maintenance and operations personnel will wear distinctive clothing identifying themselves as employees of Riverbend.
- 1.6 Governmental Entities. Riverbend will respond to any inquiries, inspections, or routine reporting requirements of state agencies with jurisdiction over water and wastewater operations.
- 1.7 System Monitoring and Response. Riverbend will:
- a. Maintain 24-hour-per-day telephone dispatch service, with qualified personnel available to respond in the event of an emergency related to City water or wastewater services; provided, however, that such 24-hour-per-day availability and monitoring does not include responses to emergencies.
  - b. Monitor any computer or automatic dialing telephone alarm systems installed at any of the water or wastewater facilities which are programmed to call Riverbend's 24-hour-per-day telephone dispatch service.
- 1.8 Operations. Riverbend will perform the following routine operations:
- a. Provide the personnel, vehicles, equipment, and hand tools necessary for the routine operation and maintenance of City's water distribution system, wastewater collection system, and wastewater plant.
  - b. Provide a licensed operator to operate the wastewater plant five (5) days per week and to perform all inspections, tests, sampling and laboratory analyses required by any governmental authorities with jurisdiction or by this Agreement; provided, however, that regulatory requirements not considered to be routine, applicable to City, or in effect as of the date of this Agreement will be billed as additional cost.
  - c. Operate the wastewater plant in accordance with all applicable rules and regulations, ordinances and laws, as the same may be amended from time to time.
  - d. Provide for sludge removal and disposal at the wastewater plant.
  - e. Provide a monthly operations report relating to the wastewater plant that includes the following information:
    - i. State and/or federal wastewater discharge reports;
    - ii. Correspondence to regulatory authorities as appropriate; and
    - iii. Average daily wastewater flows.
  - f. Collect routine samples and provide routine certified laboratory tests to meet any applicable Texas Commission on Environmental Quality TCEQ and Environmental Protection Agency ("EPA") requirements and maintain all test results for both water

and wastewater. TCLEP and BUSSA tests will be performed on an as-needed basis, for an additional charge.

- g. Prepare and submit all routine operational and/or regulatory reports required by state agencies for both water and wastewater.
- h. Provide payment for routine chemicals and bacteria required for operation of the wastewater plant, as well as routine chemicals for additional disinfection at the elevated water tower for the water distribution system.
- i. Provide monthly flushing reports to the City.

#### 1.9 Records, System Maintenance and Repair.

- a. Inventory and maintain a listing of all wastewater plant equipment, including manufacturer's model and serial numbers, motor frame numbers, date of purchase or installation and other data necessary to provide information useful or necessary in connection with the maintenance, repair or replacement of such equipment.
- b. Establish a scheduled maintenance program for all equipment and wastewater plant facilities utilizing the equipment manufacturers' recommendations to generate recommended maintenance schedules for all such equipment. All data relating to the wastewater plant and equipment will be the property of City.
- c. Perform all routine maintenance, including, but not limited to, routine cleaning, lubrication and adjustment of equipment, cleaning or replacement of filters, replacement of light bulbs and belt adjustments required pursuant to the scheduled maintenance program established in accordance with the preceding subparagraph, and record all equipment serviced and the procedures and supplies utilized in order to provide an up-to-date history of all service, maintenance and replacements. All supplies needed for such routine maintenance is included in the Standard Monthly Payment under Section 3.2.
- d. Notify City as soon as is practical of any major equipment failures, breakdowns, power outages, or necessary non-routine maintenance of the water system and wastewater plant facilities or equipment. Subject to prior approval of City or its designated representative, and at City expense, arrange for and coordinate the repair or replacement of the affected equipment in a timely manner, and in accordance with Article IV.
- e. Inspect the wastewater plant regularly, maintain a written inspector-certified log of each inspection reflecting the date and time of each inspection, the personnel performing the inspection, and any action taken, as part of the permanent records.
- f. Make general observations of water system and wastewater plant equipment and operations and make recommendations for repair and/or replacement.

#### 1.10 Excluded Matters. Notwithstanding any provision herein to the contrary, and to the extent authorized by law, Riverbend will not be liable for any damages caused by catastrophic failures of the City's facilities, system, or equipment, including but in no way limited to failures in the water storage system, breaks or leaks in the water distribution system, sanitary sewer overflows, tank failures, system construction, or damages caused by



individuals not associated with Riverbend. It is further understood and agreed that Riverbend will not be liable for any costs or damages caused by violations of any rules, regulations, terms or provisions related to pretreatment standards or wastewater discharge parameters unless such violations are directly caused by the intentional or willful acts of Riverbend.

- 1.11 City's Obligations. City will assist Riverbend in the performance of its services as an independent contractor as follows:
- a. Timely remit payment to Riverbend as provided under section 3.2 of this Agreement for its services.
  - b. Timely cooperate with any requests from Riverbend for information, documents, notices, actions or other such matters to assist in the performance of its services.
  - c. Timely implement any improvements, systems, equipment or measures deemed necessary by Riverbend for the performance of its services and to maintain compliance with local, state & federal regulations and guidelines.

## **ARTICLE II. ADDITIONAL SERVICES**

- 2.1 Non-routine Services. The term “non-routine”, as used herein with respect to maintenance or repair, will mean work performed to extend the useful life of City facilities and equipment that is not part of the standard daily operations of City’s facilities, but which work requires specialized skills and tools and is performed at irregular intervals.

All non-routine, non-emergency maintenance and repair services of a non-emergency nature estimated to exceed \$1,000.00 must be approved by City or its designated representative prior to initiation. Riverbend will use reasonable efforts to schedule or perform all maintenance and repair services during normal working hours. Fees charged by Riverbend to City for services and equipment used to perform non-routine maintenance or repair services or other services which are requested by City in addition to routine services will be billed in accordance with Section 3.2.

- 2.2 Additional Services. Except in connection with an emergency, the Parties shall agree upon a price for any additional services deemed non-routine to be provided by Riverbend prior to delivery of the additional services. By way of example, the following items are considered to be additional services: (a) expenses resulting from a change in the scope of Services or physical change(s) to the City’s facilities, infrastructure and equipment; (b) expenses resulting from a change of law; (c) all repairs necessitated by the occurrence of a disabling event qualifying under the definition of Force Majeure in Section 5.13 or shutdown of facilities; (d) special, additional or extraordinary expenses incurred by Riverbend in providing an emergency response following the occurrence of a disabling event qualifying under the definition of Force Majeure in Section 5.13 or shutdown of facilities; (e) expenses related to municipal or private surveillance and alarm monitoring by third party vendors; (f) professional engineering fees; (g) replacement of mechanical seals, alignment of high speed shafts or couplings, and rebalancing of pump impellers; (h) any and all non-routine repairs and maintenance costs in excess of the limit set forth in Section 2.1(a); and (i) any cost for each and every other obligation assumed by Riverbend

pursuant to this Agreement, even if not specifically delineated in this section.

- 2.3 Emergency. In the event of an emergency, Riverbend will have the authority to act without special instruction or authorization from City in order to prevent or minimize damage, injury or loss resulting from the emergency.

### **ARTICLE III. TERM, TERMINATION & COMPENSATION**

3.1 Term and Termination.

- a. Term. The term of this Agreement will begin on the Effective Date and will end at 11:59 p.m., Central Standard Time, on September 30, 2027 (the “Term”). After expiration of the Term, this Agreement shall automatically renew for successive five (5) year periods unless cancelled in writing by either Party at least twelve (12) months prior to the expiration of the then-current term.
- b. Termination. Either party (a “Terminating Party”) may terminate this Agreement due to a material breach or failure to perform to the standards set forth in this Agreement (a “Default”) by the other party (a “Defaulting Party”), provided that the Terminating Party first gives written notice of such breach or failure to perform to the Defaulting Party and extends that party 30 days from the date of the notice to cure the breach or correct the failure (a “Cure”). During this Cure period, any non-essential obligations or services shall be suspended. If the Defaulting Party fails to Cure the default to the satisfaction of the Terminating Party, in the Terminating Party’s sole and absolute discretion, the Agreement will terminate at the end of the 45-day cure period. A termination of this Agreement prior to the end of the Term will not affect any payments owed to Riverbend incurred prior to the effective date of the termination. The City’s payment obligations to Riverbend are considered an essential obligation for purposes of this section 3.1(b) as well as section 5.8.
- c. Return of Records and Final Payments. Upon termination of this Agreement, for any reason, Riverbend agrees to immediately turn over all books, records, other Plant property to City. Upon termination, City will pay Riverbend any compensation due under the terms of this Agreement up to the date of termination, prorated for less than a full month, if necessary, together with any unpaid expenses incurred by Riverbend and payable by City under this Agreement.
- d. Training. In the event of termination of this Agreement under paragraph (a) of this Section, Riverbend will train City in the operation of the system for a three-month period provided City is not in default of its payment obligations under this Agreement. Riverbend will be compensated at the Standard Monthly Payment rate for such training.

### 3.2 Compensation.

- a. Standard Monthly Payment. As compensation for the routine services provided by Riverbend, City shall pay to Riverbend a monthly payment (the “Standard Monthly Payment”) in the amount of 11,328.00. The Standard Monthly Payment is a cost estimate for Riverbend’s operational costs plus a 9.06 percent (9.06%) administrative fee subject to true-up for over-recovery or under-recovery as provided in section 3.2(e).
- b. Additional Payment. If non-routine services are required, those services will be subject to payment of an additional fee negotiated by the Parties before the services are provided. Expenses incurred by Riverbend that are non-routine costs for ?
- c. Invoicing. Riverbend will send monthly invoices to City for all services provided in the previous calendar month. All monthly invoices will include an accounting statement showing the standard monthly payment and any additional charges for items not included in the standard monthly payment or reimbursement for expenses. All monthly payments are due to Riverbend not later than the 20th day of each calendar month during the term of this Agreement.
- d. Late Payments. Any and all late payments due to Riverbend shall accrue interest at the rate set by the Texas Prompt Payment Act, from the original due date and until payment is received.
- e. True up. Riverbend shall annually review its official audit to conduct a “true-up” review for the year to which the audit applies to determine whether there was any over-recovery or under-recovery of its operational costs which will include a twelve percent (9.06%) administrative fee during that fiscal year in relation to City’s Standard Monthly Payment annualized for the applicable year. Any over-recovery or under-recovery of costs shall be carried over as a credit or debit to City or Riverbend, as applicable. Said credit or debit shall be applied to City’s Standard Monthly Payment such that the credit or debit shall be extinguished by the end of the then current calendar year.

- 3.3 Reimbursement of Expenses. All items and equipment not specifically set forth in Article III. that are required to operate and maintain the water system and wastewater plant in accordance with state and federal regulations shall be billed as reimbursement in addition to the standard compensation for services set forth in Section 3.2, and as set forth herein. Such expenses may include, but are in no way limited to, additional, non-routine testing required by state or federal agencies, replacement of parts, costs incurred from outside vendors, any construction required for plant operation, and all expenses set forth in Article IV. Riverbend’s administrative costs have been included in calculating the compensation to be paid and, therefore, these expenses will be borne as a part of its Standard Monthly Payment. Where this Agreement provides that any expense is to be borne by City, the actual cost of supplies, equipment, materials, subcontractors, and specialized equipment rental necessary for the performance of Riverbend’s duties will be invoiced to City without surcharge.

- 3.4 Change in Scope or Law. In the event of a change in scope or Change of Law which results in the necessity for either an increase or decrease of ten percent (10%) or more in Riverbend's cost of providing the services hereunder, one Party may provide notice to the other Party in accordance with Section 5.4 and the Parties shall negotiate in good faith to adjust the Standard Monthly Payment to account for such change in Riverbend's costs. If the Parties are unable to reach a negotiated agreement within thirty (30) days of the date of notice, then this Agreement may be terminated upon a 120-day notice by either Party.
- 3.5 Taxes, Licenses, Penalties & Assessments. City shall pay all property, ad valorem, franchise, sales, use, excise, gross receipts, transaction privilege or other taxes, if any, associated with the ownership, operation and maintenance of its water and wastewater infrastructure, property, and facilities, other than taxes imposed on Riverbend's net income or payroll. City shall also pay all fees due for licensure through any local, state or federal agency, as well as any penalties or assessments imposed by any such agency relating to its water and wastewater system. City shall pay directly or reimburse Riverbend for any such expenditures that Riverbend may be required to pay under applicable law, including without limitation, any and all sales, use, gross receipts and/or transaction privilege taxes due in connection with or as a result of Riverbend's purchase, consumption, or use, in performing the services hereunder, of tangible personal property and/or subcontracted services; and relative to licensure and the payment of any penalties or assessments on behalf of City.

#### **ARTICLE IV. INSURANCE & CLAIMS**

- 4.1 Insurance.
- a. Riverbend will, at its sole expense, purchase and maintain in effect at all times during the term of this Agreement, insurance coverage with limits not less than those specified below, with insurers licensed to do business in the State of Texas:
    - i. Commercial General Liability Insurance, including contractual liability, with a limit of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate;
    - ii. Workers Compensation Insurance in compliance with the statutes of the State of Texas for Riverbend's employees engaged in the performance of Services hereunder, to the required statutory amount; and
    - iii. Automobile Liability Insurance with a combined single limit in the amount of one million dollars (\$1,000,000).
  - b. Riverbend will provide City with a Certificate of Insurance naming City as an additional insured within thirty (30) days of the Effective Date.
  - c. None of the requirements of this Agreement with regard to insurance will limit, qualify, or quantify the obligations and liabilities of Riverbend under this Agreement or with respect to the services provided by Riverbend under this Agreement.
- 4.2 City Insurance. City will maintain all risk property insurance for the full replacement value

of its water and wastewater facilities, including coverage for flood and losses resulting from certified and non-certified acts of terrorism.

- 4.3 Claims. Riverbend is not acquiring any claims pending against City, including but not limited to lawsuits, administrative actions, complaints or investigations.

## **ARTICLE V. MISCELLANEOUS**

- 5.1 Independent Contractor. It is understood and agreed that Riverbend is retained as and will serve under this Agreement in the capacity of an independent Contractor. Riverbend will be responsible for hiring and compensating any personnel which Riverbend deems necessary or appropriate in carrying out its duties hereunder.
- 5.2 Standard of Care. The services provided under this Agreement are of a professional nature and shall be performed in accordance with the degree of skill and care ordinarily exercised by members of the water supply and wastewater operations and maintenance profession in the geographic region of Riverbend and the City.
- 5.3 Entire Agreement and Assignment. This Agreement constitutes the entire agreement of the Parties. Neither Party may assign this Agreement or any portion hereof without receiving the prior written consent of the other Party.
- 5.4 Notices. All notices given under this Agreement must be in writing and must be personally delivered or dispatched by United States certified mail, postage prepaid, return receipt requested, to the addresses shown at the end of this Agreement. Either party may change the address to which notice is to be addressed by giving notice in writing to the other party of the change. Any time limitation provided for in this Agreement will commence with the date that the party actually receives written notice, and the date of postmark of any return receipt indicating the date of delivery of notice to the addressee will be conclusive evidence of receipt.
- 5.5 Amendments. No subsequent alteration, amendment, change, deletion or addition to this Agreement will be binding unless made in writing and signed by both Parties.
- 5.6 Applicable Law and Venue. This Agreement will be construed under and in accordance with the laws of the State of Texas. Venue shall lie in Bowie County, Texas.
- 5.7 Recitals. All of the above recitals are incorporated and made a part of this Agreement.
- 5.8 Disputes. Each Party agrees that prior to filing a lawsuit or an administrative complaint with a regulatory agency on an issue related to the terms of this Agreement, the Party will submit the dispute to non-binding mediation, with each Party its own costs of participation. This provision survives termination of this Agreement. During resolution of any dispute under this section, the Parties shall each continue to perform all of their respective essential obligations under this Agreement without interruption or delay.

- 5.9 Construction. Whenever used herein the singular number shall include the plural and the plural number shall include the singular. Whenever used herein the masculine gender shall include the feminine and neuter genders and the neuter gender shall refer to any gender. Section headings used in this Agreement are intended for convenience only and not necessarily to describe the intent of a particular Section and therefore shall not be construed as limiting the effect of any provision of this Agreement. This Agreement shall be deemed drafted equally by all Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumptions or principle that the language herein is to be construed against any Party shall not apply.
- 5.10 Severability. The provisions of this Agreement are severable, and if any provision or part herein or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.
- 5.11. Waiver. No failure on the part of either Party to this Agreement to require the performance by the other of any portion of this Agreement shall in any way affect either Party's right to enforce such provision, nor shall any waiver by either Party be taken or held to be a waiver of any other provision. No rights under this Agreement may be waived and no modification or amendment to this Agreement may be made except by separate written agreement executed by both Parties.
- 5.12 Designated Representatives. On or before the Commencement Date, the Parties shall each designate one or more authorized representatives (each an "Authorized Representative") to administer this Agreement. Either Party to this Agreement shall provide written notice to the other Party of any change to the Authorized Representative no less than fifteen (15) days prior to said change.
- 5.13 Force Majeure. Except for an obligation of payment, a Party shall be excused for the period of any delay in the performance of an obligations hereunder when prevented from doing so by cause or causes beyond a Party's absolute control, which shall include, without limitation, all labor disputes, civil commotion, civil disorder, riot, civil disturbance, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations, orders, moratoriums or controls, fire or other casualty, or act of God.
- 5.14 No Partnership. No provisions of this Agreement shall be deemed or construed to constitute a partnership or joint venture.
- 5.15 No Third Party Beneficiary. The Parties agree that the Agreement only affects matters between the Parties to this Agreement, and is in no way intended by the Parties to benefit or otherwise affect any third person or entity.
- 5.16 Assignment. This Agreement shall be binding upon the successors and assigns of each of the Parties, but neither Party shall assign this Agreement without the prior written consent

of the other Party, which consent shall not be unreasonably withheld. Nothing contained in this section shall be construed to release either Party for the acts performed by such Party prior to assignment in the event of an assignment of either Party's interest.

- 5.17 Multiple Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- 5.18 Survival. Termination or expiration of this Agreement shall not release either Party from any liabilities or obligations set forth in this Agreement which (i) the Parties have expressly agreed shall survive any such termination or expiration; or (ii) remain to be performed or by their nature would be intended to be applicable following such termination or expiration.

[SIGNATURE PAGES TO FOLLOW]

EXECUTED on the date or dates indicated below, to be effective as of the Effective Date:

**RIVERBEND:**

**RIVERBEND WATER RESOURCES  
DISTRICT**

By: Kyle Dooley, Executive Director

Date: \_\_\_\_\_

Address: 228A Texas Avenue  
New Boston, TX 75570

**ACKNOWLEDGEMENT**

STATE OF TEXAS  
COUNTY OF BOWIE

I certify that I know or have satisfactory evidence that Kyle Dooley is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Executive Director of Riverbend Water Resources District to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: \_\_\_\_\_.

Notary Seal

\_\_\_\_\_  
(Signature of Notary)

\_\_\_\_\_  
(Legibly Print or Stamp Name of Notary)

Notary Public in and for the State of \_\_\_\_\_

My appointment expires: \_\_\_\_\_



**CITY:**  
**CITY OF** \_\_\_\_\_

By: Jimmy Clary, Mayor ] \_\_\_\_\_

Date: \_\_\_\_\_

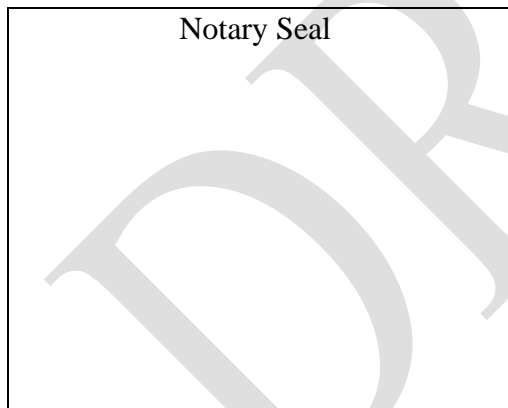
Address: \_\_\_\_\_  
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### ACKNOWLEDGEMENT

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

I certify that I know or have satisfactory evidence that Jimmy Clary is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Mayor of City of Maud, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: \_\_\_\_\_.



\_\_\_\_\_  
(Signature of Notary)

\_\_\_\_\_  
(Legibly Print or Stamp Name of Notary)

Notary Public in and for the State of \_\_\_\_\_

My appointment expires: \_\_\_\_\_