



**REGULAR MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
PUBLIC NOTICE OF BOARD OF DIRECTORS' MEETING  
WEDNESDAY, MARCH 26, 2025  
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 26, 2025, 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 26, 2025 Regular Meeting minutes.

V. REPORTS

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

VI. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

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

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

This item pertains to the removal of Section 7 of the Personnel Policy Manual related to Financial Policies. With the adoption of the Purchasing Manual, the Financial Policies listed in the Personnel Policy Manual have become redundant. The only policy that will need to be addressed is a section on credit cards. In the next item, staff will ask the Board to consider adding a section on credit cards to the Purchasing Manual. Staff recommends approval.

**Action Item:** Consider motion for approval of RESO 20250326-01 approving the amendment to the Riverbend Personnel Policy Manual.

**B. Discussion and possible action regarding approval of a resolution reviewing and updating the Purchasing Policy & Procedure Manual.**

This item pertains to adding a new section to the Purchasing Manual on credit cards. It had previously been in the Personnel Policy Manual. Having a section in the Purchasing Manual on credit cards instead of the Personnel Policy Manual is more logical going forward. Staff recommends approval.

**Action Item:** Consider motion for approval of RESO 20250326-02 reviewing and approving the Purchasing Policy & Procedure Manual of Riverbend Water Resources District.

**C. Discussion and possible action regarding approval of a resolution reviewing and updating the Capitalization Policy & Investment Policy of Riverbend Water Resources District.**

This item pertains to the annual review and, if necessary, updates, to the Capitalization Policy as well as the Investment Policy. Riverbend Water Resources District desires to review and update accordingly, its policies and procedures regarding the principles and criteria involved in the capitalization of district assets.

In addition, the Public Funds Act of Texas requires the Board of Directors of the Riverbend Water Resources District to annually review its Investment Policy and Strategies and to make these policies and procedures readily available to the public in written form. There are no changes for either policy being proposed for this year. Staff recommends approval.

**Action Item:** Consider motion for approval of RESO 20250326-03 reviewing and approving the Capitalization Policy & Investment Policy of Riverbend Water Resources District.

**D. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to enter into an agreement with the Ark Tex Council of Governments to manage a Defense Economic Adjustment Assistance Grant awarded for the Industrial Wastewater Facility Funding.**

This item pertains to an agreement for ATCOG to manage the DEAAG grant for the proposed Industrial Wastewater Facility. As we discussed at the August and October 2024 Board Meetings, we were submitting an application for the grant. Then, if successful, there would be another full management agreement between Riverbend and ATCOG for the administration of the grant. That would be a two-year agreement for \$50,000, but would come back to the board for approval, if the application for grant funding is successful. We were indeed successful in that grant application and this agreement is the follow-up agreement discussed in August for ATCOG to administer the grant as we move forward with the project. Staff recommends approval.

**Action Item:** Consider motion for approval of RESO 20250326-04 authorizing the Executive Director/CEO to enter into an agreement with the Ark Tex Council of Governments to manage a Defense Economic Adjustment Assistance Grant awarded for the Industrial Wastewater Facility Funding.

**E. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to enter into a services contract with the City of Redwater regarding water and wastewater services.**

This item pertains to a service contract with the City of Redwater for water and wastewater services. Staff has been working on a services agreement with the City of Redwater. We are using the template services contract that we created while working with the City of Maud in August of 2022 on their services contract. Redwater's City Council approved entering into a contract with Riverbend to provide the water and wastewater services on March 10<sup>th</sup>. The proposed agreement has an initial five-year term, with renewable options going forward after the initial term. The monthly amount of the agreement is \$18,013.61 for the initial year and the contract provides for a "true-up" every year after the initial year. Staff recommends approval.

**Action Item:** Consider motion for approval of RESO 20250326-05 authorizing the Executive Director/CEO to enter into a services contract with the City of Redwater regarding water and wastewater 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 23, 2025 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 26, 2025**

**CONSENT AGENDA ITEM IV. A.  
February 26, 2025  
Regular Meeting Minutes**

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

**February 26, 2025**

228 Texas Avenue, Suite A, New Boston, Texas 75570

**MINUTES**

**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, Lynn Davis, President of the Board, called the meeting to order at 12:00 p.m.

**Directors Present:**

Lynn Davis, President  
Sonja Hubbard, Vice President  
Steve Mayo, Previous President

**Directors Absent:**

Tina Veal-Gooch, Treasurer  
Van Alexander, Secretary

**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**

Lynn Davis led the invocation and the pledge of allegiance.

**III. Public Comments**

None.

**IV. Consent Agenda Items**

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

A. Discussion and possible action regarding January 22, 2025 Regular Meeting Minutes.

A single motion was made by **Sonja Hubbard** and seconded by **Steve Mayo** 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).

David Weidman provided the open board positions, currently held by Chris Spencer and Gary Cheatwood, will be posted by the governor's office within a couple of weeks. No action taken.

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

Scott Norton, Executive Director, provided an update. TexAmericas is closing on Envirosafe Demil's purchase of additional 130 acres of land. Governor Abbott announced the confirmation that Braven Environmental moving to the TAC footprint. Braven has a few more steps to complete before the move is 100% official but it is a step in the right direction. Prospect activity is strong. One of the site visits scheduled is with a company that will bring the largest number of jobs and capital investment. TAC is one of the final three sites for this company to choose from. No action taken.

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

Sonja Hubbard provided that the textile manufacturer that was interested in the Arkansas side property has decided not to move on that property at this time. There is still movement on the airport runway project. No action taken.

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

- A. Discussion and possible action regarding approval of a resolution approving the first quarter financials for FY 2025.

Tara Houck presented the first quarter financials for FY 2025.

A motion was made by Sonja Hubbard and seconded by Steve Mayo to approve RESO 20250226-01 approving the first quarter financials for FY 2025. The motion passed unanimously.

- B. Discussion and possible action regarding approval of a resolution approving the first quarter investment report for FY 2025.

Tara Houck presented the first quarter investment report for FY 2025.

A motion was made by Sonja Hubbard and seconded by Steve Mayo to approve RESO 20250226-02 approving the first quarter investment report for FY 2025. 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 information that this is a 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, board insurance and cyber security insurance.

A motion was made by Sonja Hubbard and seconded by Steve Mayo to approve RESO 20250226-03 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 reviewing and updating the Drought Contingency Plan and the Water Conservation Plan of Riverbend Water Resources District.

Kyle Dooley provided information on the review and update of the Water Conservation Plan as well as the Drought Contingency Plan. Normally this review is done in March, but we needed to review them earlier as requested by the Texas Water Development Board (TWDB) after completing the water use survey and water audit. These plan documents contain changes to the water audit information as submitted to TWDB in February 2024. We will bring these back to the board for approval in May or June for regular annual review.

A motion was made by Sonja Hubbard and seconded by Steve Mayo to approve RESO 20250226-04 reviewing and updating the Drought Contingency Plan and the Water Conservation Plan of Riverbend Water Resources District. The motion passed unanimously.

- E. Discussion and possible action regarding approving a resolution to update to the Engineering Master List.

Kyle Dooley provided that this item pertains to updating the Engineering Master List. In October of 2021, the Board authorized the Executive Director to review and update the Engineering Master List as needed but not more often than every three years. There is a need to review and update the list currently, but there is also a need to reconsider some of the categories of services that are to be provided now versus what was needed when the list was originally created. This resolution, if approved, would allow the Executive Director to update the categories of services provided when going through the review and update process going forward.



A motion was made by Sonja Hubbard and seconded by Steve Mayo to approve RESO 20250226-05 authorizing the Executive Director/CEO to revise the categories of services provided in the original Engineering Master List as part of the review and update process. The motion passed unanimously.

- F. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to amend the Water Supply Contracts with Member Entities.

Kyle Dooley provided that This item pertains to an amendment to the Water Supply Contracts dealing with the point of delivery of the system along with the ownership and maintenance of the ground storage tanks by each member entity. This amendment to the water supply contract is to clear up any ambiguity about ownership and maintenance of facilities located beyond the point of delivery as defined by the contract. This amendment states that the member entity has title to and is responsible for the operation and maintenance of all facilities located beyond the point of delivery as defined by the contract. Historically, there has been maintenance performed by TWU for the members on their ground storage tanks, which are beyond the point of delivery, and those costs have then been shared by all entities through the water production rate charged through the True-Up. After meeting with the entities at a Mayor's Meeting, they requested this proposed amendment to clearly define that "group" maintenance of the regional water system will stop at the point of delivery and that each member entity has title to and is responsible for all facilities and pipes located beyond the point of delivery.

A motion was made by Sonja Hubbard and seconded by Steve Mayo to approve RESO 20250226-05 authorizing the Executive Director/CEO to amend the Water Supply Contracts with Member Entities. The motion passed unanimously.

## **VII. Riverbend Reports**

- A. Board Members

No reports

- B. Executive Director/CEO

Kyle Dooley provided the following updates:

Regional Water System Project: Matt Garcia provided an update on the project. The final version of the Environmental Assessment submitted to US Army Corps of Engineers (USACE) on February 22, 2025. Expecting the Finding of No Significant Impact within the next 30 days. Letters were sent on behalf of Riverbend to the tribes in Bowie County as required by TWDB. USACE will also be sending letters to the tribes; required as part of the regulatory and environmental review process. The Texas Water Development Board (TWDB) requested additional information for the recent State Revolving Fund loan application. The Engineering Feasibility Report and updated resolution were submitted by the deadline. The SWIFT application for the remaining funding was successfully submitted and additional information to move the application forward was submitted last week. Reviews have been completed for all 30% planning documents from the design firms. Geotechnical investigations from the lake barge have concluded and lab studies of the core samples are nearing completion. The next

steps are the 60% submittals are expected in June and July and they are finalizing release of design funding from TWDB.

**Industrial Waste Water Plant:** On January 24, 2025 Eli Hunt, Kyle Dooley and Tina Veal Gooch interviewed Burns McDonald and Garver regarding their proposals submitted for the design and construction of the new plant. Garver was chosen to complete the project. We are working with the Ark Tex Council of Governments and the office of the governor to complete paperwork for the Defense Economic Adjustment Assistance Grant to gain access to the \$5 Million award. The contract with Garver as well as the completion of the grant documents should happen about the same time and design can begin quickly.

**Waggoner Creek Wastewater Treatment Facility:** A meeting is scheduled for Tuesday, March 5, 2025 to discuss the contract between the Cities of Leary, Nash, Texarkana, and Wake Village.

No action taken.

### **VIII. Executive Session**

The board stood at ease at 12:35 p.m.

The board reconvened in Executive Session at 12:37 p.m. with quorum pursuant to section 551.071, 551.072 and 551.074 of the Texas Open Meetings Act.

The board came out of Executive Session at 1:34 p.m.

The board reconvened with quorum at 1:35 p.m.

### **IX. Next Riverbend Meetings**

Riverbend Regular Meeting, Wednesday, March 26, 2025 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, Texas 75570.

### **X. Adjournment**

With no additional business to be discussed, a motion was made by Tina Veal Gooch and seconded by Lynn Davis to adjourn the meeting at 1:40 p.m. The motion passed unanimously.

**The minutes of the Riverbend Water Resources District Board of Directors meeting, held on February 28, 2024, were read and approved on the 27<sup>th</sup> day of March 2024.**

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**Steve Mayo, President**

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**Kyle Dooley, Executive Director/ CEO**

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 26, 2025**

**GENDA ITEM VI. A.  
RWRD RESO 20250326-01  
Personnel Policy Amendment**



**RIVERBEND RESOLUTION NO. 20250326-01**

**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 26<sup>th</sup> day of March 2025**

\_\_\_\_\_  
Lynn Davis, President

ATTEST:

\_\_\_\_\_  
Van Alexander, Secretary

Attached: Personnel Policy Manual Changes



### **7-1 Riverbend Water Resources District Credit Cards**

Riverbend may provide credit cards for use by District employees and are intended for Riverbend Water Resources District business only. All charges on Riverbend credit cards must be pre-authorized by a supervisor or Executive Director/CEO. When traveling a set spending limit will be pre-authorized by Executive Director/CEO. A credit card log will be kept for each card. The cardholder and the receiver of the credit card will sign the log upon receiving and returning the card. Each month the employee who is responsible for a credit card will be issued a copy of the bill for that credit card and it is the responsibility of the employee to review this bill and determine its accuracy. The employee is responsible for the receipts of items charged throughout the month. Each amount on the monthly billing must have a receipt or some type of documentation to support it, which should be attached to the bill. If any charges are determined to be inaccurate or inappropriate, they should be reported immediately to the District Executive Director/CEO.

### **7-2 Purchase Orders**

All Purchase Orders must be tied to a budget line item and should be pre-approved in the budget. The budgets have provided for certain items to be purchased and thus are pre-approved. The Executive Director/CEO's Purchase Orders that do not have a Resolution will require approval of an officer of the Board of Directors.

Recurring payables will be covered by a Blanket Purchase Order with a pre-set limit. All payables require a pre-approved Purchase Order for the amount of the purchase.

### **7-3 Non-recurring Payables**

In case of a need for repairs to an asset or system of Riverbend Water Resources District due to unforeseen and unforeseeable actions requiring immediate action to protect the property of the District and/or the health and safety of its employees, contractors, lessees, and utility customers or to prevent an interruption of utility service to said persons and/or entities, the Executive Director may expend the funds necessary to restore the property, system and/or service in an amount not to exceed \$50,000.00.

### **7-4 Monthly Payables**

All monthly payables will require one signature or a pre-approved contract.

A summary of all payables in the form of a checkbook register will be submitted to the Secretary/Treasurer at each meeting of the Board of Directors for the prior month period.

### **7-5 Cash Handling Policy**

All transactions/receipts will require verification from two (2) employees before a deposit is made. All cash and checks will be logged in the check register by the Executive Assistant. After logging these items on the check register, a copy of each check will be made and filed in a folder with the Executive Assistant. The Operations Accounting Specialist or the Executive Assistant will create a deposit slip and take the deposit to the bank. The deposit must be verified by the Chief Financial Officer by comparing the logbook to the deposit receipt.

## **7-6 Check Writing Policy**

All checks will be kept in the Chief Financial Officer's office, in a secure location. The Chief Financial Officer will distribute the exact number of checks required for each run to the Operations Accounting Specialist or their designee. All checks of \$50,000.00 or more, require two (2) signatures, one of which must be a member of the Board of Directors.

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 26, 2025**

**AGENDA ITEM VI. B.  
RWRD RESO 20250326-02  
Purchasing Policy and  
Procedure Manual**



**RIVERBEND RESOLUTION NO. 20250326-02**

**AUTHORIZING THE APPROVAL OF THE PURCHASING POLICY AND  
PROCEDURE 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;

**WHEREAS**, Riverbend previously approved the Purchasing Policy on May 25, 2022; and

**WHEREAS**, Riverbend Water Resources District desires to review and update accordingly, its policies and procedures and to make readily available these policies and procedures to the public in written form.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Riverbend Water Resources District hereby adopts the Purchasing Policy and Procedure Manual.

**PASSED and APPROVED this 26<sup>th</sup> day of March 2025**

\_\_\_\_\_  
Lynn Davis, President

ATTEST:

\_\_\_\_\_  
Van Alexander, Secretary

Attached: Purchasing Policy and Procedure Manual







**PURCHASING POLICY**  
**&**  
**PROCEDURE MANUAL**

**Adopted: 3/26/2025**

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## SECTION 1. INTRODUCTORY STATEMENT

- A. Policy** – It is the policy of the Riverbend Water Resources District (District) to maintain a Purchasing Policy and Procedure Manual to inform all employees of the required purchasing policies and procedures of the District. Further, it is the duty of all employees to ensure that the approved policies and procedures are followed.
- B. Objectives** – The objectives of the Purchasing Policy and Procedure Manual include the following:
1. To ensure that the District's purchasing policies and procedures are in compliance with the purchasing requirements contained in the Texas Water Code, Texas Local Government Code, and other applicable laws which govern the District.
  2. To ensure compliance with the District's internal controls and with established best business practices.
  3. To promote fair and ethical purchasing practices which foster open competition and impartiality.
  4. To encourage participation and bidding by all qualified vendors, to include historically underutilized, disadvantaged, minority and women-owned businesses.
  5. To maintain a high level of public confidence in the District's purchasing practices, and to avoid any actual or perceived conflicts of interest.
  6. To promote efficiency and effectiveness in the purchasing process, helping to ensure that the District receives the best value for each dollar spent.
  7. To help ensure a uniform understanding and application of the District's purchasing policies and procedures.
  8. To standardize the policies and procedures for making common and reoccurring purchases.
  9. To help inform and train employees about the District's purchasing policies and procedures.
  10. To assure that each purchase has proper authorization, account coding and documentation for budgetary and audit control.
- C. Official Policy** – This manual contains the approved purchasing policies and procedures of the District. The policies reflected herein have been approved by the Board of Directors. This manual will serve as the primary medium of communication to inform and guide District employees about Purchasing Policies and Procedures.

**D. Responsibilities –**

1. Executive Director – The Executive Director shall oversee these policies and procedures and may direct the issuance of additional written procedures to amplify or clarify the policies herein. The Executive Director shall be authorized to administer this policy and to keep it updated in accordance with State law and sound business / accounting practice.
2. Purchasing Manager – The Accounting Operational Specialist shall serve as the Executive Director’s designated representative to administer said policies and procedures, including:
  - a. Program Management – Overall management of the District’s purchasing activities in accordance with the laws governing the District and the policies and procedures contained herein. Preparation and distribution of the Purchasing Policy & Procedure Manual, to include periodic review and revision of the Manual as needed to 1) ensure compliance with laws governing the District, 2) to better clarify approved policies and procedures, or 3) as directed by the Executive Director.
  - b. Disposal of Property – Administration of the sale, disposal, or recycling of unserviceable or unneeded property in accordance with the laws governing the District.
  - c. Records and Reporting – Prepare and/or maintain records, reports and other documents as necessary to comply with statutory and District requirements.
3. District Employees – Employees are required to be informed about, and to follow the policies and procedures contained in this manual and any additional written procedures used to amplify or clarify the policies herein.

**E. Compliance** – The District follows ethical purchasing practices that are in compliance with statutory requirements and good business practices. We expect District employees will be self-motivated to follow these policies and procedures. The District can maintain high standards only if each employee does their share and complies with the policies and procedures. It is every employee’s duty to follow the purchasing policies and procedures of the District; otherwise, appropriate disciplinary policies will apply.

**F. Supervisors’ Special Role –**

1. Supervisors have a special role in training and guiding employees in the proper practices of this manual. Supervisors have a duty to take immediate action to prevent and remedy violations. Whenever in doubt and for expert advice, Supervisors should ask for assistance from the Purchasing Manager.
2. Supervisors, Purchasing Manager, and the Executive Director shall work together to investigate all reported or suspected violations, and take appropriate action to prevent any further violations.

**G. Further Changes** – The District may revise, cancel, or otherwise change any of the published or unpublished purchasing policies and procedures as and when necessary for the good of the District and our employees. Notice of proposed changes shall be provided to employees before becoming effective, with proper notice of effective date.

**H. Disclaimer** – The contents of this policy and procedures manual are not intended to address all possible methods, opportunities or requirements related to the District's procurement activities; nor is it intended to supersede any statutory requirements. As such, any procurement related questions that are not specifically addressed by this manual should be forwarded to the Executive Director.

## SECTION 2. GENERAL

**A. Code of Ethics** – Ethics is a set of moral principals or values governing an individual or group. As a public employee, most everything you do is subject to open records and public scrutiny; therefore, it is imperative that all District employees maintain the highest ethical standards. It is the policy of the District that the following ethical principles will govern the conduct of every employee involved directly or indirectly in the District's procurement process.

1. Responsibility to the District – Employees will avoid any activities that would compromise or give the perception of compromising the best interest of the District. Employees will avoid any appearance of unethical or compromising behavior in all relationships, actions and communications. All employees are expected to conduct the procurement practices of the District in a fair, honest, courteous and impartial manner. At no time shall employees allow their personal preferences or personal relationship with a vendor or contractor to affect their decisions or duties regarding procurement. If you have any doubt about such matters, consult with the Purchasing Manager or the Executive Director.
2. Conflict of Interest – Employees will avoid any activity that would create a conflict, or the perception of a conflict between personal interest and the interest of the District. In accordance with District policy and pertaining directly to the District's purchasing activities, employees will never solicit or accept money, loans, gifts, favors, or anything of value, from present or potential vendors which might influence or appear to influence any purchasing decision.
3. Conflict of Interest Questionnaire – Pursuant to the requirements of Section 176.002(a) of the Texas Local Government Code (Attachment B), vendors, contractors and others who wish to conduct business with the District are required to complete and submit a Conflict of Interest Questionnaire.
4. Protection of Information – As a measure to protect the integrity of the procurement process, employees shall not discuss, disclose or release any information obtained through, or as part of a Request for Bid, Request for Proposal, Request for Information, or Request for Qualification, until officially released by either the Purchasing Manager, or other authorized employee of the District. In addition, any information obtained during the procurement process which has been labeled by the vendor as confidential or proprietary information, shall be protected as such for as long as the information is retained by the District, or to extent required or allowed by law.

**B. Vendor Standards of Conduct** – Just as it is important for District employees to discharge their duties in a manner designed to promote public trust and confidence in the District, it is also important that the District require similar conduct of its approved vendors, contractors and business partners. As such, any vendor, contractor, business or individual wishing to conduct business with the District shall be expected to comply with the following standards of conduct:

- To not offer District employees any gifts, loans, or any other thing of value.
- To not offer District employees any fee or compensation for the services they provide as an employee of the District.
- To not ask District employees for any special favor or consideration that is not provided or available to every other vendor or business-related competitor.
- To not ask a District employee to disclose any information that is not available to every other vendor or business-related competitor through normal information or communication channels.
- To not offer employment to a District employee or a member of their family in exchange for the services they provide as an employee of the District.
- To not ask District employees to endorse the products or services of a vendor.
- To not ask District employees to hand out or post advertising materials on behalf of a vendor.

**C. Debarred Vendors List** – The Purchasing Manager will maintain a list of vendors who have been debarred from conducting business with the District. Depending on the reason for debarment, the vendor may be prohibited from doing business with the District for a period of up to three consecutive years, or until the reason for debarment has been corrected to the satisfaction of the District. A vendor may be debarred for the following reasons:

- Failure to comply with the District's policies and procedures for conducting business with the District.
- Failure to comply with the terms and conditions of a contract with the District.
- Failure to provide products or services as ordered or requested.
- Failure to comply with State or District requirements regarding conflict of interest.
- Failure to comply with State or Federal laws.
- Failure to follow ethical standards of conduct.
- Failure to repair, replace or provide adequate compensation for property or equipment damaged by the vendor to the satisfaction of the District.

In addition, the District will not purchase any goods or services from a vendor that is listed on the State of Texas Debarred Vendors List and may exclude vendors listed on the Federal Excluded Parties List. With the exception of applicable statutory requirements, all recommendations to debar a vendor from conducting business with the District must be approved by the Executive Director.

**D. Adequate Funding** – Directors, Managers and Supervisors are responsible for ensuring the availability of adequate budgeted funds **prior** to authorizing any expenditure. If an expense line item exceeds appropriations, the requesting Supervisor or Director should contact the Finance Department.

**E. Account Coding** – Directors, Managers and Supervisors are responsible for ensuring that all authorized expenditures are coded with the appropriate account code. Questions regarding the proper use of account codes should be forwarded to the Finance Department.



**F. Vendor Insurance Requirements** – All vendors, contractors, subcontractors, and businesses who perform or provide construction, maintenance, or other services on District property must provide written proof of Workers' Compensation Insurance Coverage for their employees. Depending on the size of the project or type of service being provided, the District may also require that additional forms of insurance be provided. Questions regarding the District's insurance requirements, to include required types of insurance or specific limits of coverage, should be forwarded to the Purchasing Manager. Written proof of insurance must be received by the District within seven (7) days after notice of award of bid and before any work begins, or services are provided.

**G. Best Value** – All purchases for the District shall be awarded to the vendor who provides the best value to the District. When determining best value, the District may consider factors other than the purchase price of the goods or services as long as they have been indicated in the written solicitation for bid, specification, or contract requirements that the bid or contract will be awarded to either the lowest responsible bidder or to the bidder who provides goods or services at the best value to the District. These factors include among other things:

- Reputation of the bidder and the bidder's goods and services.
- The quality of the bidder's goods and services.
- The extent to which the goods or services meet the District's needs.
- Total long-term cost to the District, to include purchase price, life expectancy, cost of maintenance and operation, training requirements, operating efficiency, disposal value, and other factors contributing to the overall acquisition or cost of an item.
- Other lawful factors or criteria as may apply.

Any time that the lowest bidder is not selected, "Best Value" justification must be explained in writing and attached to the associated procurement recommendation or request.

**H. Planning** – The most efficient and cost effective methods of procurement require thoughtful planning. As such, employees are expected to make a diligent effort to plan for the procurement of needed commodities and services prior to the actual time the need occurs. Commodity & Service Contracts, well managed inventories and diversified sourcing are just some of the components of an efficient and cost effective procurement program. Employees should use the following timelines as a guide when planning for procurement:

- 0 to 1 Business Days – Emergency Purchase
- 1 to 3 Business Days – Rush Purchase
- 3 to 5 Business Days – Normal Purchase
- 30 to 90 Calendar Days – Formal or Competitive Sealed Bid

The above timelines are intended to serve merely as a general guide for the purposes of procurement planning. The actual amount of time required to successfully procure a specific commodity or service can be affected by many factors, such as the dollar amount of the purchase, availability of the commodity or service, competition in the market place, complexity of the purchase, availability of funding, required level of approval, and other factors.

**I. Warranty** – Most newly purchased commodities and many services come with some form of standard warranty, and many have the option to purchase extended warranties. Often, warranty information is provided at time of purchase. Sources such as the Texas Commercial Code and the Federal Consumer Protection Agency may also provide warranty and buyer protection information regarding specifically listed commodities and services sold or manufactured either in the State of Texas or the United States. As a result, employees are encouraged to pursue warranty replacement or service when possible and practical.

Employees are encouraged to contact both the Operations Department and Purchasing Manager to find out whether or not a particular commodity or service is covered under warranty prior to repair or replacement.

**J. Payment** – Payment for all purchases shall be accomplished in accordance with the policies and procedures established by the Finance Department.

**K. Tax Exemption** – As a political subdivision of the State of Texas, the District is exempt from the Texas Limited Sales, Use and Excise Tax. As such, employees shall ensure that purchases do not include costs for taxes which the District is exempt from paying. A Texas Certificate of Exemption from Sales Tax form should be on file with all vendors of the District. Questions regarding the tax-exempt status of the District should be directed to the Finance Department.

**L. Purchase Orders** – A Purchase Order issued by the Purchasing Section is required for most purchases of \$2,500 or more. For those purchases that require a Purchase Order, request, approval and issuance of the Purchase Order shall occur prior to making the purchase. The only exceptions are those commodities and services that have been specifically exempted from the Purchase Order requirement by the Executive Director. The Purchasing Manager shall maintain a list of all commodities and services that are exempt from the Purchase Order requirement. Additionally, the Purchasing Manager may issue a purchase order for any purchase of any dollar amount if; 1) requested by the vendor, 2) to ensure compliance with the requirements of certain Cooperative Purchasing Contracts or 3) it is believed that the issuance of a Purchase Order is needed to clarify or help ensure vendor compliance with the terms and conditions of a purchase.

**M. Credit Cards** – Credit cards will be assigned to certain users throughout various departments. Purchases must follow the Purchasing Policy and Procedure Manual guidelines. A Riverbend Credit Card Agreement must be signed and kept in the card users personnel file. Original detailed sales receipts must be submitted to the Accounts Payable Department.

### SECTION 3. BIDDING REQUIREMENTS

An employee shall not knowingly or intentionally make or authorize separate, sequential, or component purchases to avoid competitive bidding requirements. As such, employees should consider the budgeted or total annual aggregate costs of the commodity or service when determining bidding requirements. Questions regarding bidding requirements should be forwarded to the Purchasing Manager or Executive Director.

**A. Purchases of less than \$5,000 (No Bids)** – The following shall apply to normal purchases that have a total cost of less than \$5,000:

1. Do not require competitive bids. However, the Responsible Supervisor shall make reasonable efforts to confirm that the best value is being obtained for the District. As such, employees are encouraged to contact the Purchasing Manager to discuss possible sourcing options or for other assistance as needed.
2. Upon purchase of commodities and services, the invoice or sales receipt shall be forwarded to the Purchasing Manager for processing payment.

**B. Purchases from \$5,000 to less than \$25,000 (Informal Bids)** – The following shall apply to normal purchases that have a total cost of at least \$5,000, but less than \$25,000:

1. Reasonable efforts shall be made to obtain at least three (3) written competitive bids from three (3) separate vendors.
2. The Responsible Supervisor shall contact the Purchasing Manager to discuss sourcing options and for other assistance prior to solicitation of bids.
3. The Executive Director shall have the discretion to require any commodity or service to be centrally purchased by the Purchasing Manager when it is believed to be in the best overall interest of the District. The Purchasing Manager shall maintain a list of all such designated commodities and services.
4. All bids must be summarized in writing and reviewed by the Responsible Supervisor to confirm compliance with specifications and other requirements of the District.
5. Written bids must contain the vendor's name and contact information, a sufficiently clear description of the commodity or service being bid, the date the bid was submitted or received and the total cost of the bid.
6. Selection of bid shall be based on the "best value" to the District. The Responsible Supervisor shall provide written justification any time it is determined that the best value to the District is not the lowest bid received.
7. The Responsible Supervisor shall submit a copy of all bids received and any applicable written justification regarding recommendation or selection of bid to the Purchasing Manager.
8. The Purchasing Section shall review all submitted documents for compliance with the policies and procedures contained herein and shall issue purchase orders as appropriate.

**C. Purchases from \$25,000 to less than \$50,000 (Formal Bids)** – The following shall apply to normal purchases that have a total cost of at least \$25,000, but less than \$50,000:

1. Require formal competitive bids pursuant to written uniform specifications and must be coordinated with the Purchasing Manager.
2. Reasonable efforts shall be made to obtain written competitive bids pursuant to uniform written specifications from at least three (3) bidders.
3. The Responsible Supervisor shall be responsible for providing information as needed or requested by the Purchasing Manager to develop the written uniform specifications and scope work.
4. The Purchasing Manager shall be responsible for development of the request for bid documents and the solicitation and receiving of bids.
5. Selection of bid shall be based on “best value” to the District, with final approval of either the Executive Director or Board of Directors as appropriate.

**D. Purchases of \$50,000 or more (Competitive Sealed Bids)** – The following shall apply to normal purchases that have a total cost of \$50,000 or more, over the life of the contract including all renewals:

1. Require competitive sealed bids pursuant to written uniform specifications and must be coordinated with the Purchasing Manager.
2. Notice of the bid request and of the time and place at which the bids will be publicly opened and read aloud must be published at least once a week for two (2) consecutive weeks in the newspaper, or an Electronic Notification/Bidding Source and on the District’s website. The date of the first publication shall be at least twenty-one (21) days before the date set to open bids.
3. Selection of bid shall be based on “best value” to the District, as awarded by the Board of Directors.

## **SECTION 4. PURCHASES EXEMPT FROM BIDDING REQUIREMENTS**

**A. Sole or Single Source Purchases** – To be approved as a sole or single source purchase, the commodity or service must meet at least one of the following:

1. - Functional requirements of the District can be satisfied by only one source.
  - Competition is excluded due to the existence of patents, copyrights, secret processes or natural monopolies.
  - Purchase of captive replacement parts or components for equipment.
  - Purchase of power, gas, water, or other utility services where deregulation of service is not a factor.
2. Whenever a Requesting Department believes that a commodity or service is obtainable from only one source, the Responsible Supervisor shall send a memorandum to the Purchasing Manager requesting sole or single source status. The Requesting Department is encouraged to contact the Purchasing Manager to discuss possible sourcing options, suitable substitutions or other related issues prior to creating the memorandum.
3. The Purchasing Manager may take additional action as may be necessary to confirm the sole or single source availability of a commodity or service.
4. A list of all confirmed sole or single source commodities and services shall be maintained by the Purchasing Manager.

**B. Emergency Purchases** – Emergency purchases should only occur after a Department has made an assessment that the failure to make an immediate purchase of a commodity or service would adversely affect the health, safety, or welfare of the public.

1. During normal working hours, the Requesting Department shall contact the Purchasing Manager and request assistance in making the Emergency Purchase. The Requesting Department shall submit an Emergency Purchase memorandum to the Purchasing Manager stating the nature of the emergency and how by not making the purchase, the health, safety or welfare of the public would be adversely affected.
2. Should the emergency occur after normal working hours, the employee shall make reasonable and necessary purchases to address the emergency, subject to approval of the Responsible Supervisor. The Emergency Purchase memorandum shall be submitted to the Purchasing Manager the next business day by the Responsible Supervisor.
3. Approval and/or ratification of emergency purchases shall occur in accordance with the approved levels of purchasing authority contained herein.
4. If the amount of the emergency purchase is \$25,000 or more, an agenda item shall be prepared for the next meeting of the District's Board of Directors to inform the Board of Directors of the purchase.

**C. Professional and Consulting Services** – State law provides specific statutory requirements for the acquisition of certain types of Professional and Consulting Services. As such, the Requesting Department should contact the Purchasing Manager as needed to discuss applicability and possible statutory requirements.

**D. Cooperative Purchasing Contracts** – The District participates in a number of Cooperative Purchasing Programs. In addition to meeting requirements for bidding, Cooperative Purchasing Programs often provide reduced costs and time associated with the procurement of certain available commodities and services. As a result, employees are encouraged to contact the Purchasing Section to discuss possible procurement opportunities that may be available through various Cooperative Purchasing Programs.

**E. Other Possible Types of Exempt Purchases** – Other possible types of exempt purchases include personal property sold at a public auction by a state licensed auctioneer, personal property sold by another governmental entity, services and commodities sold by organizations representing blind or severely disabled persons, and others. As such, employees are encouraged to contact the Purchasing Section as needed to discuss possible exemption of bidding requirements and/or other possible statutory requirements.

# Procurement Authority

## Background

Procurement authority is the power to award, or to approve the award of, legally binding procurement agreements (contracts and purchases) on behalf of the District's operational and capital improvement needs. The purpose of this policy is to control the commitment of District funds, including purchasing and contracting activities, and to ensure that Riverbend's procurement authority complies with regulatory requirements and is designed to promote efficiency to authorize the purchase of goods, works and services in accordance with Riverbend's adopted budget, up to the dollar value indicated.

## General Policy Provisions:

- A. Levels of Approval** – The following may approve expenditures that are in compliance with the laws that govern the District and the policies and procedures contained herein:

<b>Position</b>	<b>Level of Approval</b>
Designated Supervisors	Less than \$ 5,000
Administration	Less than \$20,000
Executive Director	Less than \$50,000
Board of Directors	\$50,000 or more

- B. Change Orders** – The following shall apply to the approval of Change Orders associated with Capital Improvement Projects.

1. The Executive Director or his designee may approve Change Orders for increases in cost of less than \$50,000.
2. The District's Board of Directors must approve all Change Orders for decreases or increases in cost of \$50,000 or more.
3. The sum of all Change Order for a particular Capital Improvements Project may not increase the original contract amount by more than twenty-five percent (25%). The original contract may not be reduced by more than twenty-five percent (25%) without the consent of the vendor.

A report of all such contracts / purchases and Change Orders less than \$50,000 on behalf of the District executed by the Executive Director shall be reported to the Board of Directors.

**CONFLICT OF INTEREST QUESTIONNAIRE**  
**For vendor doing business with local governmental entity**

**FORM CIQ**

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**OFFICE USE ONLY**

Date Received

**1** Name of vendor who has a business relationship with local governmental entity.

**2**  Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

**3** Name of local government officer about whom the information is being disclosed.

\_\_\_\_\_  
 Name of Officer

**4** Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes       No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes       No

**5** Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

**6**  Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

**7**

\_\_\_\_\_  
 Signature of vendor doing business with the governmental entity

\_\_\_\_\_  
 Date



Form TGC 2270

VERIFICATION REQUIRED BY TEXAS GOVERNMENT CODE CHAPTER 2279

By signing below, Company hereby verifies the following:

1. Company does not boycott Israel; and
2. Company will not boycott Israel during the term of the contract.

**SIGNED BY:** \_\_\_\_\_

**Print Name of Person:** \_\_\_\_\_  
**Signing, Title, and**  
**Company** \_\_\_\_\_

**Date signed:** \_\_\_\_\_

Government Code § 2270.002. Provision Required in Contract

Effective: September 1, 2017

A governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- (1) does not boycott Israel; and
- (2) will not boycott Israel during the term of the contract.

**The following definitions apply:**

(1) "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

(2) "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

(3) "Governmental entity" means a state agency or political subdivision of this state.

**State law requires verification from a Company for contracts involving goods or services (regardless of the amount) before the Governmental Entity can enter into the contract.**

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 26, 2025**

**AGENDA ITEM VI. C.  
RWRD RESO 20250326-03  
Capitalization Policy &  
Investment Policy**



**RIVERBEND RESOLUTION NO. 20250326-03**

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

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

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

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

**WHEREAS**, Riverbend Water Resources District desires to review and update accordingly, its policies and procedures and to make readily available these policies and procedures to the public in written form.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Riverbend Water Resources District, after its annual review, hereby adopts the Capitalization Policy and the Investment Policy.

**PASSED and APPROVED this 26<sup>th</sup> day of March 2025**

\_\_\_\_\_  
Lynn Davis, President

ATTEST:

\_\_\_\_\_  
Van Alexander, Secretary

Attached: Capitalization Policy & Investment Policy



# **Riverbend Water Resource District Capitalization Policy**

## **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**

## **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

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 26, 2025**

**AGENDA ITEM VI. D.  
RWRD RESO 20250326-04  
ATCOG Administrative  
Services Agreement**



**RIVERBEND RESOLUTION NO. 20250326-04**

**A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE A INTERLOCAL AGREEMENTS WITH THE ARK TEX COUNCIL OF GOVERNMENTS FOR MANAGEMENT OF A RECENTLY AWARDED DEFENSE ECONOMIC ADJUTMENT ASSISTANCE GRANT TO FUND THE CONSTRUCTION OF AN INDUSTRIAL WASTEWATER FACILITY**

**WHEREAS**, Riverbend Water Resources District (“Riverbend”) 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 Ark Tex Council of Governments (“ATCOG”) is a voluntary association of local governments established under state law for the purpose of promoting intergovernmental cooperation and strengthening units of local government. The primary goal of ATCOG is to improve the quality of life for all citizens of the region by providing resources, programs and services, along with coordinating funding; and

**WHEREAS**, Riverbend entered into an interlocal agreement with the ATCOG regarding submission of an application for a Defense Economic Adjustment Assistance Grant (DEAAG) on October 7, 2024 to fund the Industrial Wastewater Facility; and

**WHEREAS**, Riverbend was awarded a Defense Economic Adjustment Assistance Grant for funding for the Industrial Wastewater Facility in the amount of \$5 Million effective on February 25, 2025; and

**WHEREAS**, Riverbend has a need for assistance with managing that grant funds as well as project progress and ATCOG has the skills and experience needed to do so.

**NOW, THEREFORE, IT IS RESOLVED** that the Executive Director/CEO is authorized to execute interlocal agreements with the Ark-Tex Council of Governments for administrative services for mangement of the the project timeline as well as the funds awarded for a Defense Economic Adjustment Assistance Grant to fund the Industrial Wastewater Facility.

**PASSED AND APPROVED, this the 26<sup>th</sup> day of March 2025**

\_\_\_\_\_  
Lynn Davis, President

ATTEST:

\_\_\_\_\_  
Van Alexander, Secretary

Attached: ATCOG Contract Documents



**MANAGEMENT/ADMINISTRATION SERVICES CONTRACT  
RIVERBEND WATER RESOURCES DISTRICT  
PART I - AGREEMENT**

THIS AGREEMENT, entered into this 25<sup>th</sup> day of February 2025, by and between the RIVERBEND WATER RESOURCES DISTRICT, hereinafter called "RWRD", acting herein by Kyle Dooley, hereunto duly authorized, and Ark-Tex Council of Governments hereinafter called "the Contractor", acting herein by Mary Beth Rudel.

**WITNESSETH THAT:**

**WHEREAS**, RWRD desires to construct a 1.5 MGD Industrial Wastewater Treatment Plant on a greenfield site by: (1) Procuring engineer services; and (2) Purchasing capital equipment for the project partially funded by the Office of the Governor (OOG), and Whereas RWRD desires to engage Ark-Tex Council of Governments to render certain professional administrative services (*not eligible expense through the Grant award*) in connection with this Project, Project Number **DEAAG 2025-01-01**.

**NOW THEREFORE**, the parties do mutually agree as follows:

1. **Scope of Services**  
Part II, Scope of Services, is hereby incorporated by reference into this Agreement.
2. **Time of Performance** - The services of the Contractor shall commence on February 25, 2025 (*official DEAAG contract date*). In any event, all of the services required and performed hereunder shall be completed no later than February 24, 2027.
3. **Access to Information** - It is agreed that all information, data, reports and records and/or other information as is existing, available and necessary for the carrying out of the work outlined above shall be furnished to the Contractor by RWRD and its agents. No charge will be made to the Contractor for such information and RWRD and its agents will cooperate with the Contractor in every way possible to facilitate the performance of the work described in the Agreement.
4. **Compensation and Method of Payment** – The maximum amount of compensation and reimbursement to be paid hereunder shall not exceed Fifty Thousand dollars (\$50,000.00). Payment to the Contractor shall be based on satisfactory completion of identified milestones in Part III – Payment Schedule of this Agreement, which is hereby incorporated by reference into this Agreement.
5. **Indemnification** – The Contractor shall comply with the requirements of all applicable laws, rules and regulations, and shall exonerate, indemnify, and hold harmless RWRD and its agents from and against them, and shall assume full responsibility for administering the project identified above.
6. **Miscellaneous Provisions**
  1. This Agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Bowie County, New Boston, Texas.
  2. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.
  3. If one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All other terms hereof shall remain in full force and effect.

4. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.
5. This Agreement may be amended by mutual agreement of the parties hereto in writing to be attached to and incorporated into this Agreement.
7. **Terms and Conditions** - This Agreement is subject to the provisions titled, "Part IV Terms and Conditions" and attached hereto and incorporated by reference herein.

IN WITNESSETH WHEREOF, the parties have executed this Agreement by causing the same to be signed on the day and year first above written.

BY: \_\_\_\_\_  
*Signature*

Kyle Dooley  
*(Printed Name)*

Executive Director, Riverbend Water Resources District  
*(Title)*

BY: \_\_\_\_\_  
*Signature*

Mary Beth Rudel  
*(Printed Name)*

Executive Director, Ark-Tex Council of Governments  
*(Title)*



# PROFESSIONAL SERVICES CONTRACT

## PART II - SCOPE OF SERVICES

The Contractor shall provide the following scope of services:

### A. Project Management

1. Develop a recordkeeping and filing system consistent with program guidelines.
2. Maintenance of filing system.
3. Provide general advice and technical assistance to RWRD personnel on implementation of the DEAAG project and regulatory matters pertaining thereto.
4. Participate in the procurement of professional consulting engineering services through the request for proposal process as required by the Texas Government Cost regulations.
5. Furnish RWRD with necessary forms and procedures required for implementation of Contract with ATCOG for DEAAG project.
6. Assist RWRD in meeting specific award condition requirements that may be indicated in Grant Award **DEAAG 2025-01-01**.
7. Prepare and submit to OOG documentation necessary for reimbursements.
8. Assist RWRD with compliance regarding any environmental processes.
9. Prepare and submit Award Number **DEAAG 2025-01-01** quarterly progress reports.
10. Award Number **DEAAG 2025-01-01** compliance.
11. Comply with Exhibit A – **Approved Grant Budget** categories.

### B. Financial Management

1. Assist ATCOG in establishing and maintaining a bank account (Direct Deposit account) and/or separate local bank account, journals and ledgers.
2. Assist ATCOG in submitting the required Accounting System Certification letter, Direct Deposit Authorization Form (*if applicable*), and/or Depository/Authorized Signatory form to OOG.
3. Prepare all fund reimbursement invoices on behalf of RWRD to ensure required documentation on each invoice/vendor.
4. Prepare all fund reimbursements on behalf of RWRD in order to ensure orderly, timely payments within the allotted time period.
5. Review invoices received for payment and ensured compliance with back-up documentation.
6. Provide general advice and technical assistance to RWRD personnel on implementing projects and regulatory matters.

### C. RWRD Industrial Wastewater Treatment Plant Construction

1. Establish procedures to document expenditure associated with Engineering and Capital Equipment purchases for the project:
  - Assist RWRD in determining whether and/or what eligible contract activities will be carried out through DEAAG funds.
  - Assist RWRD in maintaining adequate documentation of contractor(s), Capital Equipment, and Reimbursement requests.
2. Assist RWRD in Uniform State Grant Assurance Compliance:
  - Review expenses to follow Texas Grant Management Standards.
  - Ensure that records are available to the public during regular business hours as per Chapter 552 of the Texas Government Code.
  - Ensure that Section 231.006 of the Texas Family Code is included in all contracts relating to the DEAAG award actual words as indicated.
  - Assist RWRD with contract oversight to ensure performance in accordance with agreement and timeframes.
  - Assist RWRD with maintaining an appropriate contract administration system to monitor terms, conditions, and specifications.
  - Request wage rates from Department/Agency.
  - Assist RWRD in monitoring construction personnel relating to the Davis-Bacon Act.

- Review construction contract payroll documents to ensure compliance with the Fair Labor Standards Act.
3. Assist RWRD in the preparation of Environmental Report for the Greenfield site location including:
- Documentation related to flood insurance purchase requirements of 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234.
  - Documentation of compliance relating to environmental control measures under the National Environmental Policy Act of 1969.
  - Documentation relating to protection of wetlands pursuant to EO 11990.
  - Documentation of evaluation of flood hazards in floodplains in accordance with EO 11988.
  - Documentation of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972.
  - Documentation of conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended.
  - Documentation of protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended.
  - Documentation for protection of endangered species under the Endangered Species Act of 1973, as amended.
  - Documentation to comply with the Wild and Scenic Rivers Act of 1968.
  - Documentation in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended.
  - Documentation in compliance with the Archaeological and Historic Preservation Act of 1974.

D. Internal Process for Contract Compliance

1. Ensure RWRD has adopted and implemented applicable provisions of the model HIV/AIDS workplace guidelines of the Texas Department of State Health Services as required by the Texas Health and Safety Code, Sec. 85.001. Retain Copy in Grant file.
2. Obtain copies of contractor(s) and employees E-Verify (for Grant file) if part of the RWRD Industrial Wastewater Project.
3. Assist RWRD SAM.gov compliance for contractors and vendors to check for ineligibility. Retain copies in grant file.
4. Assist RWRD with the timely submission of reports in accordance with ATCOG Agreement.

E. Closeout Procedures

1. Assist with Project Completion Report DEAAG 2025-01-01 and submit as per award.
2. Assist with DEAAG Project Impact Report and submit timely as per award.
3. Ensure that all project expenses are utilized by March 24, 2027.

# PROFESSIONAL SERVICES CONTRACT

## PART III - PAYMENT SCHEDULE

RWRD shall reimburse the Contractor for grant administration services provided for completion of the Scope of Services in the amount of Fifty Thousand dollars (\$50,000.00), based upon milestones depicting percentage completion of the Scope of Services. The payments to the Contractor will be made from funds provided by RWRD and not part of the grant funds. Milestones established for payment and the amounts paid are as follows:

### Payment Schedule

Payment	Amount	Basis of Payment
I	<b><u>\$10,000.00</u></b>	PROJECT MANAGEMENT as per scope of services
II	<b><u>\$15,000.00</u></b>	FINANCIAL MANAGEMENT as per scope of services
III	<b><u>\$10,000.00</u></b>	INDUSTRIAL WASTEWATER TREATMENT PLANT CONSTRUCTION <ol style="list-style-type: none"><li>1. Establish procedures for expenditure documentation</li><li>2. Assist RWRD in Uniform Grant Assurance Compliance</li><li>3. Assist RWRD in preparing Environmental Report for site</li></ol>
IV	<b><u>\$10,000.00</u></b>	INTERNAL PROCESS FOR CONTRACT COMPLIANCE as per scope of services
V	<b><u>\$ 5,000.00</u></b>	CLOSEOUT PROCEDURES as per scope of services
Total Payment	<b>\$ 50,000.00</b>	

All payments shall be made Quarterly based on invoice from Ark-Tex Council of Governments Development Department. Payment to the Contractor shall be made based on a percentage of those services in the amounts prescribed above.

# PROFESSIONAL SERVICES CONTRACT

## PART IV - TERMS AND CONDITIONS

1. **Termination of Contract.** If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner its obligation under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, RWRD shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. If the Contract is terminated by RWRD as provided herein, the Contractor will be paid for the time provided and expenses incurred up to the termination date.

If the Contract is terminated by RWRD as provided herein, all finished or unfinished documents, information or reports prepared by the Contractor under this Contract shall, at the option of RWRD, become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, the Contractor shall not be relieved of liability to the Contract for damages sustained by RWRD by virtue of any breach of the Contract by the Contractor, and RWRD may withhold any payments to the Contractor for the purpose of set-off until such time as the exact amount of damages due RWRD from the Contractor is determined.

2. **Termination for Convenience of RWRD.** RWRD may terminate this Contract at any time by giving at least ten (10) days notice in writing to the Contractor. If the Contract is terminated by RWRD as provided herein, the Contractor will be paid for the time provided and expenses incurred up to the termination date. If this Contract is terminated due to the fault of the Contractor, Paragraph 1 hereof relative to termination shall apply.
3. **Changes.** RWRD may, from time to time, request changes in the Scope of Services of the Contractor to be performed hereunder. Such changes, including any increase or decrease in the amount of the Contractor's compensation which are mutually agreed upon by and between RWRD and the Contractor shall be incorporated in written amendments to this Contract.
4. **Personnel.**
  - A. The Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with RWRD.
  - B. All of the services required hereunder will be performed by the Contractor or under its supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.
  - C. None of the work or services covered by this Contract shall be subcontracted without the prior written approval of RWRD. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Contract.
5. **Assignment of Contract.** The Contractor shall not assign any interest in this Contract and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of RWRD thereto: Provided, however, that claims for money by the Contractor from RWRD under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to RWRD.
6. **Reports and Information.** The Contractor, at such times and in such forms as the award may require, shall furnish RWRD such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection

therewith, and any other matters covered by this Contract.

7. **Findings Confidential.** All of the reports, information, data, etc., prepared or assembled by the Contractor under this Contract are confidential, and the Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of RWRD.
8. **Compliance with Local Laws.** The Contractor shall comply with applicable laws, ordinances and codes of the State of Texas and its local governments.
9. **Equal Employment Opportunity.** During the performance of this Contract, the Contractor agrees:  
The Contractor will not discriminate against any employee or applicant for employment because of race, religion, sex, sexual orientation, gender identity, color, handicap, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, sexual orientation, gender identity, color, handicap or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this non-discrimination clause.
  - A. The Contractor will, in all solicitation or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, sexual orientation, gender identity, handicap or national origin.
  - B. The Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work or services covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
  - C. The Contractor will include the provisions 9.1, 9.2, and 9.3 in every subcontract or purchase order unless exempted.
10. **Civil Rights Act of 1964.** Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, religion, sex, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
11. **Section 109 of the Housing and Community Development Act of 1974.** No person in the United States shall on the ground of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.
14. **Interest of Members of the Contractor.** No member of the governing body of the Contractor and no other officer, employee, or agent of the Contractor who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract and RWRD shall take appropriate steps to assure compliance.
15. **Interest of Other Local Public Officials.** No member of the governing body of the Contractor and no other public official of the Contractor, who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and RWRD shall take appropriate steps to assure compliance.

16. **Interest of Firm and Employees.** The Contractor covenants that it presently has no interest and shall not acquire interest, direct or indirect, in the project area, study area, site, or any parcels therein or any other interest which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants that in the performance of this Contract, no person having any such interest shall be employed.

AGREEMENT FOR THE  
DEFENSE ECONOMIC ADJUSTMENT ASSISTANCE GRANT  
BETWEEN THE  
**ARK-TEX COUNCIL OF GOVERNMENTS**  
AND  
**RIVERBEND WATER RESOURCES DISTRICT**  
Re: DEAAG 2025-01-01

STATE OF TEXAS  
COUNTY OF **BOWIE**

**THIS AGREEMENT** is between the Riverbend Water Resources District (RWRD, and Ark-Tex Council of Governments (ATCOG). The Contractor and Grantee are referred to collectively as the “parties.” The parties hereto have severally and collectively agreed and by the execution of this Agreement are bound to the mutual obligations and to the performance and accomplishment of the tasks described herein.

**SECTION 1. PURPOSE.** This Grant is awarded pursuant to Chapter 436 of the Texas Government Code, which authorizes the OOG to administer the Defense Economic Adjustment Assistance Grant (“DEAAG”) program. The DEAAG program provides state funds to defense communities that have been or may be affected by a base realignment and closure action for the purposes of purchasing property, sharing the costs of infrastructure or redevelopment projects, and the purchase or lease of equipment, including equipment for the training of defense workers.

**SECTION 2. TERM OF AGREEMENT.** The term of this Agreement commences on the date of last signature below (“Effective Date”) and terminates upon the completion of the Grant Project as described herein, or on the second anniversary of the Effective Date, whichever occurs first, unless terminated earlier pursuant to Section 16 of this Agreement.

**SECTION 3. PROJECT REQUIREMENTS.** Consistent with Sections 436.202 and 436.203 of the Texas Government Code, and the executed grant agreement, grant proceed may be used for “Professional & Consultant Services and Capital Equipment”. *Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and a per unit acquisition cost of \$5,000 or more.* Subject to the requirements of applicable law and this Agreement, RWRD will be reimbursed for actual, reasonable, and allowable costs that are directly allocable to the project at 50% (DEAAG portion) of correctly executed invoices (*See Invoice Template Exhibit G*).

## **SECTION 4. OBLIGATIONS OF GRANTOR**

**4.1** ATCOG shall reimburse RWRD for the allowable costs incurred after appropriate billing documents to the OOG. Payment shall be reimbursed to RWRD within 10 days of receipt of OOG payment.

**4.2** ATCOG shall not be liable to RWRD for any costs incurred that are not strictly in accordance with the terms of this Agreement.

**SECTION 5. MAXIMUM AMOUNT OF REIMBURSEMENT.** Notwithstanding any other provision of this Agreement, the total of all project reimbursement payments and other obligations incurred by ATCOG under the terms of this Agreement shall not exceed FIVE MILLION DOLLARS AND NO CENTS (\$5,000,000.00) as Awarded from the OOG.

## **SECTION 6. GENERAL REQUIREMENTS APPLICABLE TO THE GRANT.**

**6.1** Subject to Subsection 6.4, grant funds may be used only for the actual, reasonable, and allowable costs incurred during the term of this Agreement and that are directly allocable to the Grant Project. Grant funds may not be used for the payment of taxes, overhead, debt repayment, indirect expenses, or administrative expenses.

**6.2** All grant funds shall be disbursed on a cost reimbursement basis, subject to the terms of this Agreement. Only costs that have been incurred and paid by RWRD are eligible for reimbursement. Grant funds are not eligible to provide advance payment to ATCOG or RWRD

**6.3** In no case shall the payments made to RWRD exceed the actual, reasonable, and allowable costs that are directly allocable to the Grant Project costs as identified in the Grant Budget, or the Maximum Amount of Grant as set forth in Section 5 of this Agreement.

**6.4** Pre-term costs incurred prior to the Effective Date of the Agreement where such costs are necessary to comply with the proposed Grant Project timeline are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the OOG.

**6.5** ATCOG will not reimburse any costs not allowed under Chapter 436 of the Texas Government Code, the DEAGG Administrative Rules, this Agreement, the Grant Budget, and other applicable law as OOG will not pay any costs not allowed.

**6.6** RWRD agrees to comply with all applicable state and federal laws, rules and regulations, directives, guidelines, or any other authorities relevant to the performance of Grantee under this Agreement as they currently exist and as amended throughout the term of this Agreement. RWRD agrees to comply with applicable laws, executive orders, regulations, and policies, as well as Chapter 783 of the Texas Government Code and TxGMS or its successor. Notwithstanding Section 24 of this Agreement,



the OOG reserves the right, in its sole discretion, to unilaterally amend Agreement DEAGG 2025-01-01 throughout the term of this Agreement to incorporate any modifications necessary for the OOG's compliance, as an agency of the State of Texas, with all applicable state and federal laws, regulations, requirements, and guidelines.

6.7 RWRD agrees to comply with the Uniform State Grant Assurances as set forth in Exhibit C.

**SECTION 7. CONDITIONS PRECEDENT TO REIMBURSEMENT.** RWRD shall meet the following conditions precedent to the satisfaction of the OOG prior to any reimbursement payments from ATCOG:

7.1 All costs incurred by RWRD for which RWRD seeks reimbursement must be for the actual, reasonable, and allowable costs that are directly allocable to the Grant Project costs described in the Grant Budget.

7.2 Before the OOG will make a reimbursement payment, ATCOG must submit, and the OOG must approve, a reimbursement request as set forth in Section 8 of this Agreement.

7.3 ATCOG will not request the reimbursement of expenditures RWRD incurs after the Term of Agreement has expired or terminated, as set forth in Section 2 of this Agreement. The total amount already disbursed plus the amount requested shall not exceed the Maximum Amount of Grant set forth in Section 5 of this Agreement.

7.4 RWRD must comply with all terms of this Agreement.

7.5 RWRD must have supplied ATCOG information for reports, documentation, or other items that are required for submission to OOG or requested. Submissions must be submitted on time.

**SECTION 8. STRUCTURE FOR REIMBURSEMENT PAYMENTS.**

**8.1 Requests for Reimbursement.** RWRDs reimbursement requests shall be submitted to ATCOG in the form and manner approved by the OOG and shall specify the detailed and total expenses for the reimbursement request ("Request for Reimbursement"). All Requests for Reimbursement must be timely submitted to the OOG in accordance with the schedule and requirements set forth in Subsection 8.5 of this Agreement. RWRD will submit all reimbursement requests to ATCOG by the 5<sup>th</sup> day of the month for quarterly submissions in accordance with the schedule and requirements set forth in subsection 8.5 of this Agreement

ATCOG's Requests for Reimbursement and required documentation shall be submitted directly to:

[tmpe@gov.texas.gov](mailto:tmpe@gov.texas.gov) (with delivery/read receipts)

**8.2 Required Documentation.** Each Request for Reimbursement RWRD submits for ATCOG to submit to the OOG must include: (1) the OOG Agreement Number; (2) ATCOG's federal tax identification number; (3) the name and division of the OOG contact; (4) a description of the services, costs, and/or expenses, and the dollar amount attributable to each; (5) the name of the entity or person providing the service and the costs charged by such entity or person; (6) an itemization of charges with sufficient detail to permit the OOG to determine if the costs are allowable; and (7) documentation of proof of payment, as specified in Subsection 8.3.

Each item of expenditure shall be specifically attributed to the eligible Grant Project cost category as identified in the Grant Budget (Professional & Consultation Services \$3,351,750 and Capital equipment \$1,648,250). By submission of a Request for Reimbursement, RWRD is warranting that (1) all invoices have been carefully reviewed to ensure that all invoiced services or goods have been performed or delivered; (2) the services or goods have been performed or delivered in compliance with all terms of this Agreement; (3) the amount of each new invoice added together with all previous invoices does not exceed the Maximum Amount of Grant as stated in Section 5 of this Agreement; and (4) the charges and expenses shown on the invoice are reasonable, necessary, and supported by included documentation.

**8.3 Documentation of Proof of Payment.** Requests for Reimbursement must include documentation of proof of payment as evidence of actual expenditures. Acceptable proof of payment includes, but is not limited to, a receipt or other documentation of a paid invoice showing zero balance due, a monthly bank statement evidencing payment of the specific expenditure, copies of endorsed/processed check, or a printed copy of an electronic payment confirmation evidencing payment of the specific expenditures to which the reimbursement relates.

**8.4 Right to Request Additional Documentation.** Upon the request of the OOG, RWRD must submit to ATCOG for submission to the OOG any additional documentation or explanation the OOG may require to support or document any requested payment under the Agreement.

**8.5 Timing of Submission of Request for Reimbursement to the OOG; Close-Out Request for Reimbursement.** RWRD must submit accurate information to ATCOG for Requests for Reimbursement and all supporting documentation for submission to the OOG in a timely manner. ATCOG shall submit quarterly Requests for Reimbursement to the OOG that cover the previous quarter's expenses on or before the twentieth day after the end of each quarter. Quarterly Reimbursement requests shall be submitted in accordance with the deadlines specified in Table 1. RWRD will provide information to ATCOG by the 5<sup>th</sup> day of the month of submission to ensure timely submissions to OOG as per Table 1.

<i>Reimbursement request for expenditures during the...</i>	<i>Is due to ATCOG by...</i>	<i>Is due to the OOG by...</i>
First Quarter	December 5	December 20
Second Quarter	March 5	March 20
Third Quarter	June 5	June 20
Fourth Quarter	September 5	September 20

**Table 1**

**8.5.1** The OOG may, in its sole discretion, provide written authorization to ATCOG that provides RWRD additional time to submit a specified quarterly request for reimbursement. The amount of additional time provided to ATCOG shall be specified in the OOG’s written authorization.

**8.5.2** RWRD must submit a final Request for Reimbursement on or before the thirtieth calendar day after termination of this Agreement in order to have final request to OOG by the forty-fifth calendar day as per award.

**8.5.3** ATCOG will submit received OOG payment to RWRD within 10 days of receipt. The OOG will make all reasonable efforts to promptly process and make payments on properly completed Requests for Reimbursement.

**8.6 Final Deadline for Reimbursement Requests.** All Requests for Reimbursement must be received by ATCOG no later than the thirty calendar days after termination of this Agreement in order to submit to the OOG no later than forty-five calendar days after termination of this Agreement. An agreement amendment must be executed by the OOG and ATCOG to extend this deadline. Any extension of the deadline is within the sole discretion of the OOG and subject to the availability of appropriated funds.

**SECTION 9. BUDGET ADJUSTMENT.** Prior written approval from the OOG is required if RWRD and ATCOG anticipate altering the scope of the Grant Project, adding funds to previously un-awarded budget items or categories, changing funds in any awarded budget items or category by more than ten percent (10%) of the total budget amount specified in Exhibit A, or adding new line items to any awarded budget category.

**SECTION 10. PURCHASE OF EQUIPMENT; MAINTENANCE AND REPAIR; TITLE UPON TERMINATION.** RWRD shall not give any security interest or lien or otherwise encumber any item of equipment purchased with grant funds. RWRD shall identify all equipment purchased under this Agreement by appropriate tags or labels affixed to the equipment. RWRD and ATCOG shall maintain a current inventory of all equipment, which shall be always available to the OOG upon request. The equipment inventory must include the following: a description of the equipment; a serial number or other identification number; the acquisition date, cost, location, use, and condition of the equipment; and any

ultimate disposition data. The title for equipment shall remain with RWRD, and RWRD shall maintain, repair, and protect all equipment purchased in whole or in part with grant funds to ensure the full availability and usefulness of such equipment. In the event RWRD is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to the equipment purchased under this Agreement, RWRD shall use the proceeds to repair or replace said equipment. Upon termination of this Agreement, title, use, and disposal of equipment shall be in conformity with the TxGMS.

**SECTION 11. REPORTING REQUIREMENTS**

**11.1** Until RWRD has submitted a Project Completion Report to ATCOG for submission to the OOG, RWRD shall provide information to ATCOG to submit a Quarterly Project Status Report to the OOG, using the form attached hereto as Exhibit D, no later than fifth (5<sup>th</sup>) calendar day to provide ATCOG information to submit by the twenty (20<sup>th</sup>) calendar day after the end of each quarter. Quarterly reports are due in accordance with the deadlines specified in Table 2.

<i>Reimbursement request for expenditures during the...</i>	<i>Is due to ATCOG by...</i>	<i>Is due to the OOG by...</i>
First Quarter	December 5	December 20
Second Quarter	March 5	March 20
Third Quarter	June 5	June 20
Fourth Quarter	September 5	September 20

**Table 2**

**11.1.1** Notwithstanding Subsection 11.1, the OOG may, at its sole discretion, provide written authorization to ATCOG that provides ATCOG a specified amount of additional time to submit a specified Quarterly Project Status report.

**11.2** After RWRD has completed the Grant Project as set forth in this Agreement, but in no case more than one hundred twenty calendar days after termination of this Agreement, ATCOG shall submit to the OOG a Project Completion Report, using the form attached hereto as Exhibit E, describing all activities performed under this Agreement. RWRD shall provide to ATCOG a Certification of Delivery, certifying that RWRD has received delivery of all equipment purchased with this Agreement. ATCOG will submit certificate to OOG.

**11.3** No later than sixty calendar days after the date on which ATCOG submits RWRD’s Project Completion Report to the OOG, RWRD shall provide to ATCOG a DEAGG Project Impact Report, using the form attached hereto as Exhibit F. ATCOG shall provide the report to the OOG. A DEAGG Project Impact Report must contain information concerning jobs generated and retained, and individuals trained as a result of the Grant Project. For purposes of this Agreement, job creation, retention, and training rates may be evidenced by satisfactory documentation, such as copies of payroll documents, human resource documents, or training enrollment records.

**11.4** RWRD shall provide ATCOG, upon request, with any additional information requested by the OOG regarding the status of the Grant Project.

**11.5** RWRD shall cooperate with ATCOG and the OOG and provide all requested assistance in connection with the preparation of any reports required to be made by the OOG to the Texas Legislature or any relevant governmental entity regarding RWRD, the Grant, the Grant Project, or the Grant Application.

**11.6** All reports provided to the OOG must be signed by the duly authorized representative of ATCOG.

**11.7** If after a written request by the OOG, RWRD fails to provide required information for reports, information, documentation, or other information as required by this Agreement, then the OOG may require corrective action or consider this act a possible default under this Agreement.

## **SECTION 12. CORRECTIVE ACTION.**

**12.1 Corrective Action.** If the OOG finds deficiencies in RWRD's performance under this Agreement, the OOG, in its sole discretion, may impose corrective actions, including increasing monitoring visits; requiring the submission of additional or more detailed reports; requiring prior approval for expenditures; requiring additional technical or management assistance or modifications in business practices; reducing the grant award amount; or terminating the ATCOG Agreement. The foregoing are not exclusive remedies, and the OOG may impose other corrective actions the OOG determines will be in the best interest of the State of Texas.

**12.2 Financial Hold.** Failure to comply with submission deadlines for required reports, invoices, or other requested information without prior written authorization from the OOG may result in the OOG, in its sole discretion, placing ATCOG on immediate financial hold without further notice to ATCOG and without first requiring a corrective action plan. The OOG shall only provide written authorization for delay upon finding that extraordinary circumstances exist that support the delay. No reimbursements will be processed until the requested information is submitted. If ATCOG is placed on financial hold, the OOG, in its sole discretion, may deny reimbursement requests associated with expenses incurred during the time ATCOG was placed on financial hold.

**12.3 Sanctions.** In addition to a financial hold, the OOG, in its sole discretion, may impose other sanctions including, but not limited to, withholding or suspending funding, requiring return or offset of previous reimbursements, requiring repayment, disallowing claims for reimbursement, reducing funding, terminating this Agreement, or any other appropriate sanction.

**12.4 Notice of Possible Default.** RWRD agrees to make a good faith effort to identify, communicate, and resolve problems found by either the OOG or ATCOG. The OOG, in its sole discretion, will determine whether ATCOG has acted or failed to act in such a manner that gives rise to an act of possible

default under this Agreement. If the OOG determines ATCOG has possibly defaulted on this Agreement, the OOG shall, within ten business days after making that determination, give written notice of possible default to ATCOG that also sets out the circumstances that support the OOG's determination.

**12.5 Opportunity to Cure.** Unless the OOG provides written authorization providing additional time as set forth below, ATCOG must cure the possible default and provide the OOG with sufficient information that supports a finding of cure by the OOG within thirty calendar days after the OOG gives ATCOG notice under Subsection 12.4 of this Agreement. The OOG may, in its sole discretion and upon a finding by the OOG that extraordinary circumstances support the additional time, provide written authorization to ATCOG that provides ATCOG a specified amount of additional time cure the possible default and provide required information to the OOG.

**12.6 Cure.** If the OOG determines, in its sole discretion, that ATCOG has cured the possible default event, the OOG shall give written notice to ATCOG within ten business days after making that determination. The OOG shall be guided by good faith and reasonableness in determining whether ATCOG has cured the possible default.

**12.7 Default.** If the OOG determines ATCOG has not cured the possible default, ATCOG shall be in default hereunder, and the OOG shall give written notice to ATCOG informing ATCOG of such default within ten business days after the OOG reaches its determination. Any default may result in termination of this Agreement in accordance with Section 16 of this Agreement.

**12.8 No Waiver.** Notwithstanding the imposition of corrective actions, financial hold, or sanctions, RWRD remains responsible for complying with the Agreement terms and conditions. Corrective actions, financial hold, or sanctions do not excuse or operate as a waiver of prior failure to comply with this Agreement.

**SECTION 13. NOTICES.** Any notice required or permitted to be given under this Agreement by ATCOG and RWRD shall be in writing and shall be deemed to have been given immediately if sent to the e-mail address specified in this Section. Any notice required or permitted to be given under this Agreement may be given by regular first-class mail and shall be deemed to have been given on the date of attempted or actual delivery to the recipient if addressed to the receiving party at the address specified in this Section:

To Riverbend Water Resources District  
Kyle Dooley, Executive Director/CEO  
228a Texas Avenue  
New Boston, Texas 75570  
[kyledooley@rwr.org](mailto:kyledooley@rwr.org)

To Ark-Tex Council of Governments  
Mary Beth Rudel, Executive Director  
4808 Elizabeth Street  
Texarkana, Texas 75503  
[mrudel@atcog.org](mailto:mrudel@atcog.org)

**SECTION 14. CERTIFICATIONS.** By agreeing to and signing this Agreement, RWRD represents that RWRD has obtained all necessary authority to enter into this Agreement and hereby makes the following certifications, representations, and warranties:

**14.1 Child Support Obligation.** Under Section 231.006(d) of the Texas Family Code, regarding child support, RWRD certifies that RWRD is not ineligible to receive specified payments and acknowledges this Agreement may be terminated, and payment may be withheld if this certification is inaccurate.

**14.2 Prohibited Bids and Agreements.** Under Section 2155.004 of the Texas Government Code, RWRD certifies that RWRD is not ineligible to enter this Agreement and acknowledges this Agreement may be terminated, and payment withheld if this certification is inaccurate.

**14.3 Human Trafficking.** Under Section 2155.0061 of the Texas Government Code, RWRD certifies that RWRD is not ineligible to receive this Agreement and acknowledges that this Agreement may be terminated and payment withheld if this certification is inaccurate.

**14.4 Gift to Public Servant.** RWRD warrants that RWRD has not given, nor does RWRD intend to give, at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the award of this Agreement.

**14.5 Former Executive Head and Employees of the Agency.** RWRD certifies that this Agreement is compliant, and will remain in compliance during the Agreement term, with the following sections of the Texas Government Code: Section 669.003 (Contracting with Executive Head of State Agency); Section 572.069 (Certain Employment for Former State Officer or Employee Restricted); and Section 2252.901 (Contracts with Former or Retired Agency Employees).

**14.6 Conflicts of Interest.** RWRD certifies that neither RWRD nor the personnel or entities employed in rendering services under this Agreement have, nor shall they knowingly acquire, any interest that would be adverse to or conflict in any manner with the performance of RWRD's obligations under this Agreement. RWRD has a continual and ongoing obligation to immediately notify ATCOG in writing, upon discovery of any actual or potential conflict.

**14.7 Corporate Franchise Tax.** RWRD certifies that, if applicable, RWRD's Texas franchise tax payments are current, or that RWRD is exempt from, or not subject to, such tax.

**14.8 No Claims.** RWRD certifies that RWRD does not have any potential or existing claims against or unresolved audit exceptions with the State of Texas or any agency of the State of Texas.

**14.9 Debt to State.** RWRD acknowledges and agrees that, to the extent RWRD owes any debt or delinquent taxes to the State of Texas, any payments RWRD is owed under this Agreement may be applied by the Comptroller of Public Accounts toward any debt or delinquent taxes RWRD owes the State of Texas until the debt or delinquent taxes are paid in full.

**14.10 Compliance with Licensing, Permitting, and Regulatory Bodies.** RWRD certifies that RWRD has or will obtain all licenses, certifications, permits, and authorizations necessary to perform RWRD's obligations under this Agreement, without costs to ATCOG or the OOG. RWRD shall comply with any applicable laws, ordinances, resolutions, codes, decisions, orders, rules, and regulations, in connection with RWRD's obligations under this Agreement. RWRD shall comply with all applicable federal and state health and safety standards.

RWRD certifies that RWRD is currently in good standing with all licensing, permitting, or regulatory bodies that regulate any or all aspects of RWRD's operations. RWRD agrees to comply and remain compliant with all applicable licenses, legal certifications, inspections, and any other applicable local ordinance or state or federal laws.

**14.11 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion.** RWRD certifies that RWRD and RWRD's principals are not listed on the federal government's terrorism watch list as described in Executive Order 13224 and will remain compliant with this certification during the term of this Agreement. RWRD certifies that RWRD and RWRD's principals are not suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration.

**14.12 Deceptive Trade Practices; Unfair Business Practices.** RWRD represents and warrants that RWRD has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that the Respondent has not been found to be liable for such practices in such proceedings. RWRD certifies that RWRD has no officers who have served as officers of other entities who have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit, and that such officers have not been found to be liable for such practices in such proceedings.

**14.13 Felony Criminal Convictions.** RWRD represents and warrants that RWRD and RWRD's employees who will perform services under this Agreement have not been convicted of a felony criminal offense, or that, if such a conviction has occurred, RWRD has fully advised ATCOG and the OOG as to the facts and circumstances related to the conviction.

**14.14 Immigration.** RWRD represents and warrants that RWRD shall comply with all applicable U.S. immigration laws with respect to the employment of any individual who will perform labor or services in the U.S. under this Agreement.

**14.15 U.S. Department of Homeland Security's E-Verify System.** RWRD certifies and ensures that RWRD utilizes and will continue to utilize, for the term of this Agreement, the U.S. Department of Homeland Security's E-Verify system as required by Chapter 673 of the Texas Government Code, to



determine the eligibility of: all persons employed to perform duties within Texas, during the term of the Agreement; and all persons, including subcontractors, employed or assigned by RWRD to perform work pursuant to the Agreement, within the United States of America. RWRD agrees to provide copies of E-Verifications to ATCOG for grant master file.

**14.16 Certification Concerning Prior Disaster Relief Contract Violation.** RWRD is prohibited from contracting with any person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, RWRD certifies that RWRD is not ineligible from entering into this Agreement and will remain compliant with this certification during the term of this Agreement.

**14.17 Technology Access Clause.** If applicable, RWRD will comply with the State of Texas Accessibility requirements for Electronic and Information Resources specified in 1 T.A.C. Chapter 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation. Additionally, if applicable, RWRD shall provide the Texas Department of Information Resources (DIR) with the URL to RWRD's Voluntary Product Accessibility Template (VPAT) for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act), or indicate that the product/service accessibility information is available from the General Services Administration "Buy Accessible Wizard" (<http://www.buyaccessible.gov>). A company not listed with the "Buy Accessible Wizard" or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format. Additional information regarding the "Buy Accessible Wizard" or obtaining a copy of the VPAT is located at <http://www.section508.gov/>.

**14.18 Buy Texas.** With respect to all services, if any, purchased pursuant to this Agreement, RWRD represents and warrants that RWRD will buy Texas products and materials for use in providing the services authorized herein when such products and materials are available at a comparable price and within a comparable period when compared to non-Texas products and materials.

**14.19 Liability for Taxes.** RWRD represents and warrants that RWRD shall pay all taxes or similar amounts resulting from this Agreement, including, but not limited to, any federal, state, or local income, sales, or excise taxes of RWRD or RWRD's employees. ATCOG and the OOG shall not be liable for any taxes resulting from this Agreement.

**14.20 Israel.** If RWRD is required to make a certification pursuant to Section 2271.002 of the Texas Government Code, RWRD certifies that RWRD does not boycott Israel and will not boycott Israel during the term of the Agreement. If RWRD does not make that certification, RWRD must notify ATCOG and the OOG and state why the certification is not required. The term "boycott Israel" as used in the paragraph has the meaning assigned by Section 808.001 of the Texas Government Code.

**14.21 Iran, Sudan, or Foreign Terrorist Organization.** RWRD represents that neither RWRD, nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of RWRD, (i) is an entity listed by the Texas Comptroller of Public Accounts under Sections 2252.153 or 2270.0201 of the Texas Government Code; (ii) constitutes a “scrutinized company” as defined by Section 2270.0001(9) of the Texas Government Code; or (iii) has contracts with, provides supplies or services to, or is otherwise engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code. The terms “foreign terrorist organization” and “designated foreign terrorist organization” have the meanings assigned to them in Sections 2252.151 and 2270.0001 of the Texas Government Code, respectively.

**14.22 Entities that Discriminate Against a Firearm Entity or Firearm Trade Association.** If RWRD is required to make a certification pursuant to Section 2274.002 of the Texas Government Code, RWRD certifies that RWRD does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the Agreement against a firearm entity or firearm trade association. If RWRD does not make that certification, RWRD must indicate why the certification is not required.

**14.23 Entities that Boycott Energy Companies.** If RWRD is required to make a certification pursuant to Section 2276.002 of the Texas Government Code, RWRD certifies that RWRD does not boycott energy companies and will not boycott energy companies during the term of the Agreement. If RWRD does not make that certification, RWRD must indicate why the certification is not required.

**14.24 No Vaccine Passport.** RWRD certifies that, pursuant to Section 161.0085 of the Texas Health and Safety Code, it does not require its customers to provide any documentation certifying the customer’s COVID-19 vaccination or post-transmission recovery on entry to, to gain access to, or to receive service from RWRDs business in Texas. RWRD acknowledges that such a vaccine or recovery requirement in Texas would make RWRD ineligible for state grant funds.

**14.25 Cybersecurity Training Program.** To the extent RWRD has access to any state computer system or database and is subject to the provisions of Section 2054.5192 of the Texas Government Code, ATCOG will require RWRD to complete a cybersecurity training program certified under Section 2054.519 of the Texas Government Code, as selected by the OOG. The cybersecurity training program must be completed by RWRD during the term of the Agreement and during any subsequent extension period. RWRD shall verify completion of the program to ATCOG in writing upon completion of the program. ATCOG will provide copies of all Cybersecurity Training documents to the OOG.

**14.26 Critical Infrastructure.** If RWRD is required to access or control the State’s critical infrastructure as defined in Sections 2275.0101 and 2275.0102 of the Texas Government Code, RWRD certifies, pursuant to Section 2275.0102 of the Texas Government Code, neither it nor its parent company, nor any affiliate of RWRD or its parent company, is: (1) majority owned or controlled by citizens or governmental entities of China, Iran, North Korea, Russia, or any other country designated

by the Governor under Section 2275.0103 of the Texas Government Code, or (2) headquartered in any of those countries.

## **SECTION 15. GENERAL TERMS AND CONDITIONS.**

**15.1 Independent Contractor.** RWRD expressly agrees that RWRD is an independent contractor and under no circumstances shall any owner, incorporator, officer, director, employee, or volunteer of RWRD or any subcontractor of RWRD be considered an employee, agent, servant, joint venturer, joint enterpriser, or partner of the OOG, by virtue of this Agreement. RWRD agrees to take such steps as may be necessary to ensure that each contractor of RWRD will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, joint venturer, joint enterpriser, or partner of the OOG.

All persons furnished, used, retained, or hired by or on behalf of RWRD or any of RWRD's subcontractors shall be considered to be solely the employees or agents of RWRD or RWRD's subcontractors. RWRD or RWRD's subcontractors shall be responsible for ensuring that all appropriate payments are made, such as unemployment, workers' compensation, social security, any benefit available to a state employee as a state employee, and other payroll taxes for such persons, including any related assessments or contributions required by law.

ATCOG and the OOG is not responsible for any types of claims whatsoever due to actions or performance, taken by the owners, incorporators, officers, directors, employees, volunteers of RWRD or any third parties under this Agreement, including but not limited to, the use of automobiles or other transportation, taken by its owners, incorporators, officers, directors, employees, volunteers or any third parties.

**15.2 Subcontracting.** When RWRD should determine it is necessary or expedient to subcontract for any of the performances herein, RWRD understands and agrees that RWRD will be responsible to ATCOG and the OOG for any subcontractor's performance under this Agreement. In no event shall this Section or any other provision of this Agreement be construed as relieving RWRD of the responsibility for ensuring that performance under this Agreement, and any subcontracts thereto, is rendered in compliance with all the terms of this Agreement. When RWRD uses a subcontractor for any or all of the work required, the following conditions will apply: (1) RWRD, in subcontracting for any performances specified herein, expressly understands and agrees that subcontracting will be solely at RWRD's expense and ATCOG or the OOG shall not be liable in any manner to RWRD's subcontractor(s); (2) RWRD will be the sole contact for ATCOG; and (3) Pursuant to this agreement, RWRD will make timely payments to subcontractors in order for submission for reimbursement. Pursuant to Chapter 2251 of the Texas Government Code, ATCOG will make any reimbursement payments owed to RWRD within 10 calendar days after ATCOG's receipt of funds from the OOG.

**15.3 No Assignment.** This Agreement is not assignable by RWRD. Notwithstanding any attempt to assign the Agreement, RWRD shall remain fully liable on this Agreement and shall not be released from

performing any of the terms, covenants, and conditions herein. RWRD shall be held responsible for all funds reimbursed under this Agreement.

**15.4 Records Retention.** Records shall be maintained and made available to ATCOG, the OOG or its authorized representatives upon request during the entire performance period of this Agreement and until four years from date of final reimbursement by the OOG for the services provided under this Agreement. In addition, those records relating to any dispute, litigation, or the settlement of claims arising out of such performance, or costs or items to which an audit exception has been taken, shall be maintained and made available to the OOG or its designee until completion of such action and resolution of all issues which arise from it, or until the end of the aforementioned three year period, whichever is later. Failure to provide reasonable access to authorized OOG representatives shall give the OOG the right to terminate this Agreement pursuant to Section 16 of this Agreement for reason of default.

**15.5 Right to Audit.** RWRD will cooperate fully in any review conducted by ATCOG, the OOG or its authorized representatives related to services provided under this Agreement. ATCOG and the OOG have the authority to monitor, inspect, assess, and review the fiscal and contractual performance of RWRD with respect to the Agreement, including all information related to any services provided under this Agreement or billed to the OOG. RWRD will remedy in a timely manner, any weaknesses, deficiencies, Agreement noncompliance, or audit exceptions found as a result of a review by ATCOG, the OOG or its authorized representatives. Such remedy can include a refund or offset of Agreement payments, or any other appropriate actions deemed necessary by the OOG. Acceptance of funds under this Agreement acts as acceptance of the authority of the State Auditor's Office to audit or investigate the expenditure of funds under this Agreement or any subcontract. RWRD will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through RWRD and the requirement to cooperate is included in any subcontract RWRD awards.

**15.6 State Auditor.** In addition to and without limitation on other audit provisions of this Agreement, pursuant to Section 2262.154 of the Texas Government Code, the State Auditor's Office or successor agency may conduct an audit or investigation of RWRD or any other entity or person receiving funds from the State of Texas directly under this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds by RWRD or any other entity or person directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the State Auditor's Office, under the direction of the Legislative Audit Committee, to conduct an audit or investigation in connection with those funds. Under the direction of the Legislative Audit Committee, RWRD or another entity that is the subject of an audit or investigation by the State Auditor's Office shall provide the State Auditor's Office with prompt access to any information the State Auditor's Office considers relevant to the investigation or audit. RWRD further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested.

RWRD shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through RWRD and the requirement to cooperate is included in any subcontract RWRD awards. The State Auditor's Office shall at any time have access to and the right to examine, audit,

excerpt, and transcribe any pertinent books, documents, working papers, and records of RWRD related to this Agreement. This Agreement may be amended unilaterally by the ATCOG (based on OOG amendments) to comply with any rules and procedures of the State Auditor's Office in the implementation and enforcement Section 2262.154 of the Texas Government Code.

**15.7 Texas Public Information.** RWRD acknowledges that the State of Texas, the OOG, ATCOG, and this Agreement are subject to the Texas Public Information Act, Chapter 552 of the Texas Government Code (the "PIA"), and RWRD acknowledges that the OOG will comply with the PIA.

RWRD acknowledges that information created or exchanged in connection with this Agreement is subject to the PIA, and RWRD agrees that information not otherwise excepted from disclosure under the PIA, will be available in a format that is accessible by the public at no additional charge to ATCOG, the OOG or State of Texas. RWRD will cooperate with ATCOG and the OOG in the production of documents or information responsive to a request for information.

Information provided by or on behalf of RWRD under, pursuant to, or in connection with this Agreement that RWRD considers proprietary, financial, or trade secret information (collectively "Confidential Information") shall be designated as such when it is provided to ATCOG, the OOG or State of Texas or any other entity in accordance with this Agreement. Merely making a blanket claim that all documents are protected from disclosure will not render the whole of the information confidential. Any information not clearly identified as proprietary or confidential is subject to release in accordance with the PIA.

The OOG agrees to notify ATCOG and RWRD in writing within a reasonable time from receipt of a request for information covering RWRD's Confidential Information. The OOG will determine whether to submit a request for an Open Records Letter Ruling to the Attorney General.

RWRD agrees to maintain the confidentiality of confidential information received from ATCOG, the OOG or State of Texas during the performance of this Agreement, including information that discloses confidential personal information particularly, but not limited to, personally identifying information, personal financial information, and social security numbers.

RWRD agrees that if any of RWRD's agents receives any third-party request for the disclosure of information relating to this Agreement, RWRD shall notify ATCOG immediately. ATCOG shall notify the OOG of any such request within three business days after receipt of the request.

**15.8 Media Releases or Pronouncements.** RWRD understands that the OOG does not endorse any vendor, commodity, good, or service. RWRD, RWRD's employees, representatives, subcontractors, or other agents may not issue any media release, advertisement, publication, or public pronouncement which pertains to this Agreement or the services or Grant Project to which this Agreement relates, or which mentions the OOG, without the prior written approval of the OOG.

## **15.9 Indemnification.**

TO THE EXTENT ALLOWED BY LAW, RWRD SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS ATCOG, THE STATE OF TEXAS, THE OOG, AND/OR THEIR EMPLOYEES, AGENTS, OFFICERS, REPRESENTATIVES, CONTRACTORS, AND/OR DESIGNEES FROM ANY CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDINGS, COSTS, DAMAGES, AND LIABILITIES, INCLUDING, WITHOUT LIMITATION, ALL RELATED COSTS, ATTORNEY'S FEES AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF RWRD OR ANY OF RWRD'S AGENTS, EMPLOYEES, SUBCONTRACTORS, OR SUPPLIERS IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT. RWRD SHALL COORDINATE RWRD'S DEFENSE WITH THE TEXAS ATTORNEY GENERAL AS REQUESTED BY THE OOG. THIS PARAGRAPH IS NOT INTENDED TO AND WILL NOT BE CONSTRUED TO REQUIRE RWRD TO INDEMNIFY OR HOLD HARMLESS ATCOG, THE STATE OR THE OOG FOR ANY CLAIMS OR LIABILITIES RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF ATCOG, THE OOG OR ITS EMPLOYEES.

## **15.10 Intellectual Property.**

TO THE EXTENT ALLOWED BY LAW, RWRD SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS ATCOG, THE STATE OF TEXAS, THE OOG, AND/OR THEIR EMPLOYEES, AGENTS, OFFICERS, REPRESENTATIVES, CONTRACTORS, AND/OR DESIGNEES FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS, OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET, OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY, OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF RWRD PURSUANT TO THIS CONTRACTOR AGREEMENT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE, OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR (3) ATCOG, THE OOG'S AND/OR GRANTEE'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE OOG BY GRANTEE OR OTHERWISE TO WHICH THE OOG HAS ACCESS AS A RESULT OF RWRD'S PERFORMANCE UNDER THE CONTRACTOR AGREEMENT. RWRD, ATCOG, AND THE OOG AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. RWRD SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY ATCOG WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL (OAG") WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT, AND RWRD MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OAG. IN ADDITION, RWRD WILL REIMBURSE THE OOG AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES, OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS ARISING FROM ANY SUCH CLAIM. IF THE OOG DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF RWRD, OR IF THE OOG IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, THE OOG WILL BE PERMITTED TO

SELECT SEPARATE COUNSEL AND RWRD WILL PAY ALL REASONABLE COSTS OF THE OOG'S COUNSEL.

**15.11 Taxes/Workers' Compensation/Unemployment Insurance.**

RWRD IS FULLY RESPONSIBLE FOR RWRD'S OWN FEDERAL, STATE, AND LOCAL TAXES. RWRD AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS AGREEMENT, RWRD SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF RWRD'S AND RWRD'S EMPLOYEES' TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS AGREEMENT. RWRD AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS' COMPENSATION. ATCOG, THE OOG AND/OR THE STATE OF TEXAS SHALL NOT BE LIABLE TO RWRD, RWRD'S EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF THE OOG.

**15.12 Tax Identification Information Required.** As a prerequisite to ATCOG reimbursing expenses to RWRD under this Agreement, RWRD shall provide ATCOG with required tax and payee identification information by providing ATCOG with RWRD's current TIN, name, and address to permit ATCOG to verify registration in the TIN System with the Texas Comptroller of Public Accounts.

**15.13 Insurance.** Unless otherwise noted in this Agreement, and to the extent that RWRD does not have or maintain insurance or does not have or maintain sufficient insurance, RWRD acknowledges and agrees that RWRD will be solely responsible for any losses or damages related to or caused by RWRD's performing RWRD's duties and obligations under this Agreement. ATCOG and the OOG will have no obligation to reimburse or otherwise pay RWRD for any costs incurred related to any such losses or damages.

**15.14 Fraud, Waste, and Abuse.** RWRD understands that ATCOG and the OOG does not tolerate any type of fraud, waste, or misuse of funds reimbursed from this Agreement. The OOG's policy is to promote consistent, legal, and ethical organizational behavior, by assigning responsibilities and providing guidelines to enforce controls. Any violations of law, OOG policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. In the event RWRD becomes aware of any allegation or a finding of fraud, waste, or misuse of funds received from the OOG that is made against RWRD, RWRD is required to immediately notify ATCOG and the OOG of said allegation or finding. RWRD is also obliged to inform ATCOG and the OOG of the status of any on-going investigations regarding allegations of fraud, waste, or abuse. RWRD is expected to report any possible fraudulent or dishonest acts, waste, or abuse to ATCOG and the OOG's Fraud Coordinator or Ethics Advisor at (512) 463-1788 or in writing to: Ethics Advisor, Office of the Governor, P.O. Box 12428, Austin, Texas 78711. RWRD must also comply with Section 321.022 of the Texas Government Code, which requires that suspected fraud and unlawful conduct be reported to the State Auditor's Office.

**15.15 Information Security/Privacy.** RWRD shall employ and maintain appropriate information security procedures to protect against the unauthorized acquisition, use, or disclosure of any personal information under applicable laws (including Personal Identifying Information or Sensitive Personal Information as those terms are defined in Chapter 521 of the Texas Business and Commerce Code) that it receives, compiles, or creates as a result of the Contractor Agreement to ensure compliance with any agency requirements of the OOG and any applicable international, federal, state, or local laws, regulations, and ordinances. Unless required by law to disclose, RWRD agrees to maintain the confidentiality of information received from ATCOG and the OOG or the State of Texas during the performance of the Agreement, including, but not limited to, Sensitive Personal Information, Personally Identifying Information, personal financial information, financial account numbers, account access information, computer passwords, social security numbers or information that is confidential by law or otherwise subject to a lawful exception from disclosure. In the event of an unauthorized acquisition, use, or disclosure of the OOG's information by RWRD, its employees, representatives, subcontractors or other agents in the performance of RWRD's duties, RWRD shall: (i) immediately notify ATCOG and the OOG in writing; (ii) assume and comply with any applicable remedial requirements required by law; (iii) bear all costs of such compliance and remediation; and (iv) provide ATCOG and the OOG with information regarding the breach and the progress of any remedial efforts if requested. The obligations of RWRD under this Section will survive the Agreement and must be included in all subcontracts in which the subcontractor may have access to personal information.

RWRD shall endorse the OOG's requirements and adhere to the State of Texas' and the OOG's Information Technology Security Standards. From time-to-time and on the request of the OOG, RWRD may be required to execute written information security or non-disclosure agreements as deemed necessary by the OOG to strictly comply with any applicable confidentiality or information security requirements or applicable laws, regulations, and protective orders. RWRD is required to assess risks, ensure data integrity, and determine the level of accessibility that must be maintained. Specific activities may include, but are not limited to identification of security, privacy, legal, and other organizational requirements for recovery of institutional resources such as data, software, hardware, configurations, and licenses at the termination of the Agreement. In addition, the OOG may periodically assess RWRD's privacy and security services provisioned to providing the goods and services under the Agreement to ensure all obligations are being met and to manage and mitigate risk.

To the extent applicable, if RWRD is authorized to access, transmit, use, or store data for the OOG, RWRD must meet the security controls the OOG determines are proportionate with the OOG's risk under the Agreement based on the sensitivity of the OOG's data. Upon request, RWRD must provide to ATCOG and the OOG evidence that RWRD meets the security controls required under the Agreement.

**15.16 Saturdays, Sundays, Holidays.** If the last or appointed day for the taking of any action or the expiration of any right required or granted in this Agreement is a Saturday or a Sunday or a scheduled State of Texas or national holiday, then such action may be taken, or such right may be exercised on the



next succeeding business day that is not a Saturday, Sunday, or holiday. A schedule of State of Texas holidays is located at: <http://www.hr.sao.texas.gov/Holidays/>.

**15.17 Applicable Law and Venue.** This Agreement is made and entered into in the State of Texas. This Agreement and all disputes arising out of or relating thereto shall be governed by the laws of the State of Texas, without regard to any otherwise applicable conflict of law rules or requirements.

Venue for any RWRD-initiated action, suit, or litigation arising out of or in any way relating to this Agreement shall be commenced exclusively in the Bowie County District Court. Venue for any OOG initiated action, suit, or litigation arising out of or in any way relating to this Agreement may be commenced in a Texas state district court or a United States District Court selected by the OOG in its sole discretion.

RWRD hereby irrevocably and unconditionally consents to the exclusive jurisdiction of the courts referenced above for the purpose of prosecuting and/or defending such litigation. RWRD hereby waives and agrees not to assert as a defense, or otherwise, in any suit, action or proceeding, any claim that RWRD is not subject to the jurisdiction of the above-named courts; the suit, action or litigation is brought in an inconvenient forum; or the venue is otherwise improper.

**15.18 No Waiver of Sovereign Immunity.** The OOG is immune from suit and from liability. No part of this Agreement, nor the conduct or statement any person, will be construed as a waiver of the doctrines of sovereign immunity and official immunity, or of any of the privileges, rights, defenses, remedies, or immunities available to the OOG or the State of Texas, and their officers, employees, or agents as provided by law.

## **SECTION 16. TERMINATION.**

**16.1 Convenience.** The OOG may, at its sole discretion, terminate this Agreement without recourse, liability, or penalty, against the OOG, upon thirty calendar days' notice to ATCOG. Cancellation of the award will cause cancellation of this Agreement.

**16.2 Cause; Default.** If RWRD fails to provide the agreed upon services according to the provisions of this Agreement or fails to comply with any of the terms or conditions of this Agreement, ATCOG may, upon written notice of default to RWRD, immediately terminate all or any part of this Agreement. Termination is not an exclusive remedy but is in addition to any other rights and remedies provided in equity, by law, or under this Agreement.

**16.3 Rights upon Termination or Expiration.** If the Agreement is terminated for any reason, or upon its expiration, the OOG shall be obligated to pay RWRD only for actual, reasonable, and allowable costs incurred up to the Effective Date of termination. Termination is not an exclusive remedy but will be in addition to any other rights and remedies as provided in equity, by law or under the Agreement. ATCOG

nor the OOG is not liable to RWRD or to RWRD's creditors for any costs incurred after receipt of a Notice to Terminate or any unacceptable or disallowed costs as determined by the OOG.

**16.4 Liability after Termination** Notwithstanding any exercise by the OOG of its right of early termination pursuant to this Section, RWRD shall not be relieved of any liability to the OOG for damages due to the OOG by virtue of any breach of this Agreement by RWRD. The OOG may withhold reimbursements for RWRD until such time as the exact amount of damages due to the OOG from RWRD is agreed upon or is otherwise determined.

**16.5 Refund of Overpayment.** RWRD shall refund to the OOG any sum of money paid to RWRD by the OOG, which the OOG determines is an overpayment to RWRD, or in the event the OOG determines funds spent by RWRD were not an allowable cost of this Grant Project. No refund payments may be made from local, state, or federal grant funds unless statute or regulation specifically permits repayment with grant funds. Such refund shall be made by RWRD to the OOG within thirty calendar days after such refund is requested in writing by the OOG, or within thirty calendar days after a notice from the OOG indicating the request is the result of a final determination that the refund is owed.

**16.6 Failure to Comply with Agreement.** In the event RWRD fails to comply with any provision of this Agreement, RWRD may be liable for damages and barred from applying for or receiving additional funding under the DEAGG program until repayment is made and any other compliance or audit findings are resolved, or any issue of non-compliance is cured to the satisfaction of the OOG.

**SECTION 17. AVAILABILITY OF FUNDS.** RWRD understands and agrees that funding for the grant is subject to the actual receipt by the OOG of funds appropriated to the OOG or otherwise available from federal funding sources. RWRD agrees that any funds received from the OOG are limited by the term of each state biennium and by specific appropriation authority to and the spending authority of the OOG for the purpose of the Agreement. RWRD agrees that notwithstanding any other provision of the Agreement, if the OOG is not appropriated the funds or if the OOG does not receive the appropriated funds, or if the funds appropriated to the OOG are required to be reallocated to fund other state programs or purposes, then the OOG may reduce the Maximum Amount of Grant or terminate the Agreement without cost or penalty.

**SECTION 18. MONITORING.** ATCOG may perform periodic on-site monitoring of RWRD's compliance with the terms and conditions of this Agreement and of the adequacy and timeliness of RWRD's performance. After each monitoring visit, ATCOG will provide RWRD with a written report of the monitor's findings. If the monitoring report notes deficiencies in RWRD's performances under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by RWRD. Failure by RWRD to take action specified in the monitoring report may be cause for termination of this Agreement in accordance with Section 16 of this Agreement.

## **SECTION 19. CONFLICT OF INTEREST.**

**19.1 No Conflict of Interest.** RWRD shall ensure that no employee, officer, or agent of RWRD shall participate in the selection, award, or administration of a subcontract supported by funds provided hereunder if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: (1) the employee, officer, or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) any organization which employs, or is about to employ any of the above, has a financial or other interest in the firm or person selected to perform the subcontract. RWRD shall comply with Chapter 171 of the Texas Local Government Code.

RWRD represents and warrants that performance under this Agreement will not constitute an actual or potential conflict of interest or reasonably create an appearance of impropriety. Further, RWRD represents and warrants that in the administration of the grant, it will comply with all conflict-of-interest prohibitions and disclosure requirements required by applicable law, rules, and policies, including Chapter 176 of the Texas Local Government Code. If circumstances change during the Agreement, RWRD shall promptly notify the OOG.

**19.2 No Inside Information.** No employee, agent, consultant, officer, or elected or appointed official, of either RWRD or of a subcontractor, who exercises or has exercised any functions or responsibilities or is in a position to participate in decision-making or gain inside information in regard to the activities involved in the Grant Project, shall be permitted to have or obtain a financial interest in or benefit from the Grant Project or any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties.

## **SECTION 20. REGULATORY AND LEGAL ACTIONS AND CLAIMS.**

**20.1 No Pending or Threatened Actions Impairing Performance.** RWRD represents and warrants that RWRD is not aware of and has received no notice of any court or governmental agency actions, proceedings or investigations, etc., (collectively “actions”), pending or threatened against RWRD within the five calendar years immediately preceding the Effective Date of this Agreement that would or could impair RWRD’s performance under this Agreement. In addition, RWRD shall notify ATCOG and the OOG in writing within five business days of any changes to the representations or warranties in this clause or of any actions that RWRD may become aware of and receive notice of on or after the Effective Date of this Agreement. RWRD agrees that failure to so timely update ATCOG and the OOG of actions shall constitute breach of this Agreement and may result in immediate termination of this Agreement.

**20.2 Notice of Actions Arising Out of Performance of Agreement.** RWRD shall give ATCOG and the OOG immediate notice in writing of any action, including any proceeding before an administrative agency, filed against RWRD arising out the performance of this Agreement. Except as otherwise directed by the OOG, RWRD shall immediately furnish to ATCOG and the OOG copies of all pertinent papers received by RWRD with respect to such action or claim. RWRD shall notify ATCOG and the OOG of

any legal action filed against RWRD or any subcontractor, or of any proceeding filed under the federal bankruptcy code. RWRD shall submit a copy of such notice to ATCOG and the OOG within thirty calendar days after receipt. No funds provided under this Agreement may be used in the payment of any costs incurred as the result of any claims, judgments, fines, or settlements.

**20.3 Governmental Units of the State of Texas.** ATCOG and RWRD acknowledge that they are contracting units of the State of Texas and are subject to, and shall comply with, the applicable provisions of the Texas Tort Claims Act, as set out in Chapter 101 of the Texas Civil Practice and Remedies Code.

**20.4 No Liability.** RWRD acknowledges that ATCOG, the OOG, the State of Texas, and their employees and officials shall not be held liable for any claims or causes of action whatsoever which may occur while performing the services described in this Agreement, or from the award, cancellation, or withdrawal of this Grant.

**SECTION 21. NOTICE OF MATERIAL EVENTS.** RWRD shall furnish to ATCOG and the OOG prompt written notice upon becoming aware of or having knowledge of the occurrence of any event or development that has, or would reasonably be expected to have, a material adverse effect on the completion of the Grant Project. RWRD shall inform ATCOG and the OOG in writing on or before the tenth business day after RWRD learns of the existence of such an event.

**SECTION 22. FORCE MAJEURE.** Neither party shall be liable to the other for any delay in, or failure of performance of, any requirement included in this Agreement caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, which by the exercise of all reasonable due diligence, such party is unable to overcome. Each party must inform the other in writing, with proof of receipt, within ten business days after the existence of such force majeure or otherwise waive this right as a defense.

## **SECTION 23. DISPUTE RESOLUTION.**

**23.1 Informal Meetings.** The parties' representatives shall meet as needed to implement the terms of this Agreement and shall make a good faith attempt to informally resolve any disputes. The Parties agree to make a good faith effort to identify, communicate, and resolve problems found by either ATCOG or RWRD.

**23.2 RWRD Continued Performance.** RWRD shall not be excused from performance during any pending dispute, unless approved in writing by ATCOG and the OOG.

## **SECTION 24. CHANGES AND AMENDMENTS.**

**24.1 Alterations, Additions, Deletions.** Any alterations, additions, or deletions to the terms of this Agreement shall be by a written amendment executed by both parties.

**24.2 Policy Directives.** During the term of this Agreement, the OOG may issue policy directives to establish, interpret, or clarify requirements under this Agreement. Policy directives from the OOG shall be binding upon RWRD.

**SECTION 25. SEVERABILITY.** In the event any one or more of the parts or provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other parts or provisions thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable parts or provisions had never been contained herein.

**SECTION 26. ENTIRE AGREEMENT.** This Agreement is intended as a full and complete expression of and constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and all prior and contemporaneous understandings, agreements, promises, representations, terms and conditions, both oral and written, are superseded and replaced by this Agreement.

**SECTION 27. CONSTRUCTION.** The language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning. The parties acknowledge that each party and its counsel have reviewed this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Any vague, ambiguous, or conflicting terms shall be interpreted and construed in such a manner as to accomplish the purpose of the Agreement.

**SECTION 28. HEADINGS.** The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof.

**SECTION 29. SURVIVAL OF CERTAIN PROVISIONS.** Notwithstanding any expiration, termination, or cancellation of this Agreement, the rights and obligations pertaining to repayment of grant funds or damages, limitation of liability, indemnification, public information, reporting requirements, retention and accessibility of records, audit rights upon termination, and any other provision implying survivability shall remain in effect after this Agreement ends.

**SECTION 30. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

**SECTION 31. NO FALSE STATEMENTS.** By signature to this Agreement, RWRD makes all the representations, warranties, guarantees, certifications and affirmations included in this Agreement. If RWRD signs this Agreement with a false statement or it is subsequently determined that RWRD has violated any of the representations, warranties, guarantees, certifications or affirmations included in this Agreement, RWRD shall be in default under this Agreement and the OOG may terminate or void this Agreement for cause, seek repayment for amounts distributed, and pursue other remedies available to the OOG under this Agreement and applicable law.

**IN TESTIMONY HEREOF**, RWRD and ATCOG have executed this Contractor Agreement, effective as of the date of the last signature below:

Ark-Tex Council of Governments

Riverbend Water Resources District

\_\_\_\_\_  
Mary Beth Rudel, Executive Director

\_\_\_\_\_  
Kyle Dooley, Executive Director/CEO

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**EXHIBIT A**

**APPROVED GRANT BUDGET  
ARK-TEX COUNCIL OF GOVERNMENTS  
(RIVERBEND WATER RESOURCES DISTRICT) – Contract  
DEAAG 2025-01-01**

**\$5,000,000,00**

Budget. Subject to the limitations within this Agreement, the OOG will reimburse Grantee for actual and allowable allocable costs paid according to the following amounts and budget categories:

Budget Category	
Infrastructure – Purchase of Property	
Infrastructure – Professional & Consultant Services	\$3,351,750.00
Infrastructure – New Construction	
Infrastructure – Rehabilitation and Renovation	
Infrastructure – Capital Equipment <sup>1</sup>	\$1,648,250.00
Infrastructure – Capital Supplies <sup>2</sup>	
Infrastructure – Facility Insurance	
Training Equipment <sup>2</sup>	
Training Supplies <sup>3</sup>	

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<sup>1</sup> Per the TxGMS, "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more.

<sup>2</sup> Id.

<sup>3</sup> Per the TxGMS, items of equipment with a per unit acquisition cost of less than \$5,000 are considered to be supplies.

**EXHIBIT B**

**GRANT NARRATIVE  
ARK-TEX COUNCIL OF GOVERNMENTS  
(RIVERBEND WATER RESOURCES DISTRICT) – Contract  
DEAAG 2025-01-01**

UNLESS OTHERWISE LIMITED, DEEMED INAPPROPRIATE BY SPECIAL CONDITIONS OR ALTERED BY APPROVED BUDGET ADJUSTMENTS/BUDGET MODIFICATIONS, the following narrative provided by Grantee in Grantee’s October 09, 2024 grant application applies to this Agreement:

Ark-Tex Council of Governments requests \$5 million to assist Red River Army Depot and Red Riverbend Water Resources District to construct a new 1.5 MGD Industrial Waste Water Treatment Plant on a greenfield site by:

1. Procuring engineer services; and
2. Purchasing capital equipment for the project



## EXHIBIT C. UNIFORM STATE GRANT ASSURANCES

*RWRD must assure and certify compliance with all applicable federal and state statutes, regulations, policies, guidelines and requirements, including, but not limited to, the Texas Grant Management Standards (TxGMS); and Title 1, Part 1, Chapter 4 of the Texas Administrative Code, that govern the application, acceptance and use of federal and state funds for this project. In instances where multiple requirements apply to a RWRD, the more restrictive requirement applies. By accepting the Agreement for grant award, RWRD certifies and assures that RWRD complies and will continue to comply with the following:*

1. RWRD possesses legal authority to execute this Agreement. A resolution, motion or similar action has been duly adopted or passed as an official act of the RWRD's governing body, authorizing the execution of this Agreement, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative, or their designee of the organization to act in connection with the Agreement and to provide such additional information as may be required. State agencies are not required to adopt a resolution.
2. RWRD will comply with Chapter 573 of the Texas Government Code<sup>4</sup> by ensuring that no officer, employee, or member of the applicant's governing body or of the applicant's contractor shall vote or confirm the employment of any person related within the second degree of affinity or the third degree of consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years, or such other period stipulated by local law, prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.
3. RWRD will ensure that all information collected, assembled or maintained by RWRD relative to a project will be available to the public during normal business hours in compliance with Chapter 552 of the Texas Government Code<sup>5</sup>, unless otherwise expressly prohibited by law.
4. RWRD will comply with Chapter 551 of the Texas Government Code<sup>6</sup>, which requires all regular, special or called meetings of governmental bodies to be open to the public, except as otherwise provided by law or specifically permitted in the Texas Constitution.
5. RWRD will comply with Section 231.006 of the Texas Family Code<sup>7</sup>, which prohibits payments to a person who is in arrears on child support payments. Further, RWRD will include the following clause in the award documents for every subcontract and must require subcontractors to certify accordingly: ***“Under Section 231.006 of the Texas Family Code, the vendor or***

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<sup>4</sup> Chapter 573 of the Texas Government Code covers degrees of relationship and nepotism prohibitions. It includes subchapters on general provisions, relationships by consanguinity or affinity, nepotism prohibitions, exceptions, and enforcement.

<sup>5</sup> Chapter 552 of the Texas Government Code is the Public Information Act, which gives the public the right to access government records. The act assumes that all government information is available to the public, but there are some exceptions.

<sup>6</sup> Chapter 551 of the Texas Government Code **OPEN MEETINGS REQUIREMENT**. Every regular, special, or called meeting of a governmental body shall be open to the public, except as provided by this chapter.

<sup>7</sup> Texas Family Code Section 231.006 addresses ineligibility for state grants, loans, and contract payments for child support obligors who are behind on payments.

***applicant certifies that the individual or business entity named in this Agreement, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate. An application for a grant paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application.”***

6. RWRD will comply with Section 261.101 of the Texas Family Code, which requires reporting of all suspected cases of child abuse to local law enforcement authorities and to the Texas Department of Child Protective and Regulatory Services. Grantee will also ensure that all program personnel are properly trained and aware of this requirement.
7. RWRD will maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
8. RWRD will comply with Section 2054.5191 of the Texas Government Code<sup>8</sup> relating to the cybersecurity training program for local government employees who have access to a local government computer system or database.
9. RWRD will comply with Section 2252.906 of the Texas Government Code relating to disclosure protections for certain charitable organizations, charitable trusts, and private foundations.
10. RWRD’s receipt of appropriated or other funds under the Agreement are not prohibited by Sections 403.1067 or 556.0055 of the Texas Government Code<sup>9</sup>, which restrict lobbying expenditures.
11. No health and human services agency or public safety or law enforcement agency may contract with or issue a license, certificate or permit to the owner, operator or administrator of a facility if the license, permit or certificate has been revoked by another health and human services agency or public safety or law enforcement agency.
12. If RWRD is a law enforcement agency regulated by Chapter 1701 of the Texas Occupations Code, RWRD will be in compliance with all rules adopted by the Texas Commission on Law Enforcement ("TCOLE"), unless TCOLE certifies that RWRD is in the process of achieving compliance with such rules.
13. When incorporated into a grant award or contract, standard assurances contained in the Agreement become terms or conditions for receipt of reimbursed funds. RWRD shall maintain an appropriate contract administration system to ensure that all terms, conditions, and specifications are met.
14. RWRD will comply with all federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended

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<sup>8</sup> Section 2054.5191 - Cybersecurity Training Required: Certain Employees and Officials. Each state agency shall identify state employees who use a computer to complete at least 25 percent of the employee's required duties. At least once each year, an employee identified by the state agency and each elected or appointed officer of the agency shall complete a cybersecurity training program certified under Section 2054.519.

<sup>9</sup> Sections 403.1067 and 556.0055 of the Texas Government Code both restrict lobbying expenditures.

(29 U.S.C. § 794), which prohibits discrimination on the basis of disabilities; (d) Americans With Disabilities Act of 1990, which prohibits discrimination on the basis of disabilities; (e) the Age Discrimination Act of 1974, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (f) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (g) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to the nondiscrimination on the basis of alcohol abuse or alcoholism; (h) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (j) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (k) the requirements of any other nondiscrimination statute(s) which may apply to the Agreement.

15. RWRD will comply, as applicable, with the provisions of the Davis-Bacon Act<sup>10</sup> (40 U.S.C. § § 276a to 276a-7), the Copeland Act<sup>11</sup> (40 U.S.C. § § 276c and 18 U.S.C. § § 874), and the Contract Work Hours and Safety Standards Act<sup>12</sup> (40 U.S.C. § § 327-333), regarding labor standards for federally assisted construction sub-agreements.
16. RWRD will comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P. L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
17. RWRD will comply with the provisions of the Hatch Political Activity Act (5 U.S.C. § 7321-29) which limit the political activity of employees whose principal employment activities are funded in whole or in part with Federal funds.
18. RWRD will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act and the Intergovernmental Personnel Act of 1970<sup>13</sup>, as applicable.
19. RWRD will ensure that the facilities under RWRD's ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protections Agency's (EPA) list of Violating Facilities and that RWRD will notify ATCOG and the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA. (EO 11738).

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<sup>10</sup> The Davis-Bacon Act (DBA) is a federal law that requires contractors and subcontractors to pay laborers and mechanics prevailing wages on federally funded construction projects. It was passed in 1931 and was the first federal law to set wage standards for non-government workers.

<sup>11</sup> The Copeland Act, also known as the Copeland "Anti-Kickback" Act, is a federal law that prohibits contractors from inducing workers to give up part of their pay. The law also requires contractors to keep certain employment records and pay workers a prevailing wage.

<sup>12</sup> The Contract Work Hours and Safety Standards Act (CWHSSA) is a United States federal law that **covers hours and safety standards in construction contracts.**

<sup>13</sup> The Federal Fair Labor Standards Act (FLSA) regulates minimum wage and overtime pay for employees, while the Intergovernmental Personnel Act of 1970 (IPA) allows for temporary employee transfers between federal agencies, state and local governments, and other eligible organizations, enabling short-term assignments without losing employee benefits or rights; essentially, the FLSA focuses on worker compensation while the IPA facilitates personnel mobility across different government entities.

20. RWRD will comply with the flood insurance purchase requirements of 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234. Section 102(a) requires the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition proposed for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards.
21. RWRD will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
22. RWRD will comply with the Wild and Scenic Rivers Act of 1968<sup>14</sup> (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
23. RWRD will assist the ATCOG and the OOG in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
24. RWRD will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm-blooded animals held for research, teaching, or other activities supported by this award of assistance.
25. RWRD will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residential structures.
26. RWRD will ensure it has adopted and implemented applicable provisions of the model HIV/AIDS workplace guidelines of the Texas Department of State Health Services as required by the Texas Health and Safety Code, Sec. 85.001, et seq.
27. RWRD will comply with Public Law 103-277, also known as the Pro-Children Act of 1994, which prohibits smoking within any portion of any indoor facility used for the provision of services for children as defined by the Pro-Children Act of 1994.
28. RWRD will comply with all federal tax laws and are solely responsible for filing all required state and federal tax forms.

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<sup>14</sup> The Wild and Scenic Rivers Act of 1968 protects rivers with exceptional natural, cultural, and recreational values. The act also preserves the free-flowing nature of these rivers.

29. RWRD will comply with all applicable requirements of all other federal and state laws, executive orders, regulations and policies governing this program.
30. RWRD and its principals are not, nor will be, suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts or the System for Award Management (SAM) maintained by the General Services Administration.
31. RWRD acknowledges and understands the dispute resolution process provided in Chapter 2009 of the Texas Government Code<sup>15</sup> is available to the parties to resolve any dispute arising under the agreement.
32. RWRD will submit timely, complete, and accurate reports in accordance with this Agreement and the grant and maintain appropriate backup documentation to support the reports.

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<sup>15</sup> The Governmental Dispute Resolution Act (Tex Gov't Code, Chapter 2009) provides explicit statutory authorization and encouragement of governmental entity ADR use. The Act conveys the Legislature's endorsement of ADR use by these entities and establishes ADR as an appropriate method of resolving public disputes.

**EXHIBIT D**

**QUARTERLY PROJECT STATUS REPORT  
ARK-TEX COUNCIL OF GOVERNMENTS  
(RIVERBEND WATER RESOURCES DISTRICT) – Contract  
DEAAG 2025-01-01**

*Due to ATCOG by the 5<sup>th</sup> calendar day of the month due. Information will be submitted by ATCOG from provided information.*

**Summary of Expenditures:**

Quarter (Report Period)	Expenditures (\$ Amount)	Description

Percentage of Grant Project Completed:

Brief Narrative Explaining Expenditures:

Grant Project Status:

\_\_\_\_\_  
Signature of Kyle Dooley, Executive Director/CEO

\_\_\_\_\_  
Date

**EXHIBIT E**

**PROJECT COMPLETION REPORT  
ARK-TEX COUNCIL OF GOVERNMENTS  
DEAAG 2025-01-01**

Percent Completed: \_\_\_\_\_

ATCOG (RWRD) has successfully completed, and in a satisfactory manner, the GRANT PROJECT. The purpose of the grant was to utilize \$5 million DEAAG funds with \$5 million MATCH funds to assist Red River Army Depot and Red Riverbend Water Resources District to construct a new 1.5 MGD Industrial Waste Water Treatment Plant on a greenfield site by:

1. Procuring engineering services, and
2. Purchasing capital equipment for the project.

The total cost for the Grant Project is as follows:

- Grant Project Total \$
- Total \$

The following is a brief Grant Project scope summary:

This is to certify that an inspection of 100% of the completed Grant Project described below was conducted on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ .

Contracts were entered into for GRANT PROJECT between ATCOG and the following subcontractors:  
[SUBCONTRACTORS.]

This is to further certify that all Equipment included as part of the grant budget has been purchased with the specified grant purpose, timeline, budget, and all addenda, change orders, and supplemental agreements thereto.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Mary Beth Rudel  
\_\_\_\_\_

Executive Director  
\_\_\_\_\_

**EXHIBIT F**

**DEAAG PROJECT IMPACT REPORT  
ARK-TEX COUNCIL OF GOVERNMENTS  
DEAAG 2025-01-01**

Project Name:

Grantee Name: Ark-Tex Council of Governments

Address: 4808 Elizabeth Street  
Texarkana, Texas 75503

Telephone: 903-832-8636 Fax: 903-832-3441

Contact Person: Mary Beth Rudel [mrudel@atcog.org](mailto:mrudel@atcog.org)

Time Period Covered by Report: \_\_\_\_\_ to \_\_\_\_\_

**Grant Project Performance Measures:**

- Create, retain, or train \_\_\_\_\_ jobs by the completion of the Grant Project
- Grant Project Description:
- Grant Project Address:

**Jobs Created:**

<b>Time Period</b>	<b>Active Full Time Jobs Created, Retained, or Student Trained</b>
EX. 01/12 – 03/12	



**Breakdown of Jobs Created:**

<b>Job Type</b>	<b>Jobs Created or Retained This Reporting Period</b>	<b>Total Jobs Created to Date</b>
Direct Permanent Jobs		
Indirect Permanent Jobs		
Individuals Trained		
<b>Total</b>		

Businesses assisted or created this period: \_\_\_\_\_

Businesses assisted or created to date: \_\_\_\_\_

**Grant Project Financial Impact**

- Narrative summary of Impact
- Update on current Grant Project Status (include curriculum updates)

**THE SIGNATURE BELOW CERTIFIES THAT THE INFORMATION SUBMITTED IN THIS REPORT IS TRUE AND CORRECT TO THE BEST KNOWLEDGE OF GRANTEE.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Mary Beth Rudel  
\_\_\_\_\_

Executive Director  
\_\_\_\_\_

**REGULAR CALLED MEETING  
RIVERBEND WATER RESOURCES DISTRICT  
WEDNESDAY, MARCH 26, 2025**

**AGENDA ITEM VI. E.  
RWRD RESO 20250326-05  
City of Redwater  
Water and Wastewater  
Services Agreement**



**RIVERBEND RESOLUTION NO. 20250326-05**

**AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE A SERVICES CONTRACT WITH THE CITY OF REDWATER, TEXAS FOR CERTAIN WATER AND WASTEWATER 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 Redwater, Texas is a General Law Type “A” Municipality under Chapter 6 of the Texas Local Government Code, having full power of local self-government; and; and

**WHEREAS**, the City of Redwater, Texas has a need for certain water and wastewater services to support its wastewater 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 enter into a services contract to provide certain water and wastewater services to the City of Redwater, Texas on terms substantially the same as attached hereto and further reviewed by general counsel.

**PASSED and APPROVED this 26<sup>th</sup> day of March 2025**

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Lynn Davis, President

ATTEST:

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Van Alexander, Secretary

Attached: Services Contract-City of Redwater

**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 \_\_\_\_\_, 2025 (the “Effective Date”) between Riverbend Water Resources District (“Riverbend”), a political subdivision of the State of Texas, and City of Redwater, 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.”

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 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. 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.

- 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.

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 December 31, 2029 (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 \$18,013.61. The Standard Monthly Payment is a cost estimate for Riverbend’s operational costs plus a 10 percent (10%) 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.
- 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 conduct a “true-up” review to determine whether there is any over-recovery or under-recovery of its operational costs which will include a ten percent (10%) administrative fee during that fiscal year in relation to the 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 following fiscal 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]

DRAFT

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: \_\_\_\_\_

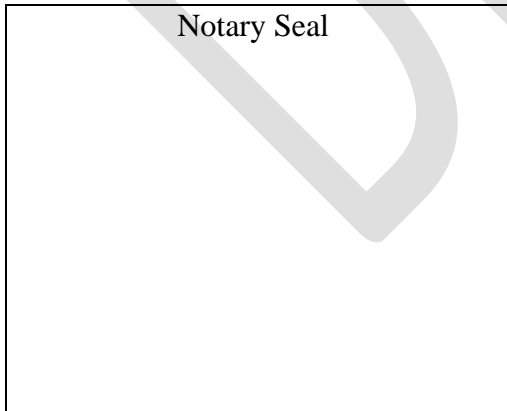
Address: 228A Texas Avenue  
New Boston, TX 75570

**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: \_\_\_\_\_.



\_\_\_\_\_  
(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: [Insert Printed Name and Title]

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

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

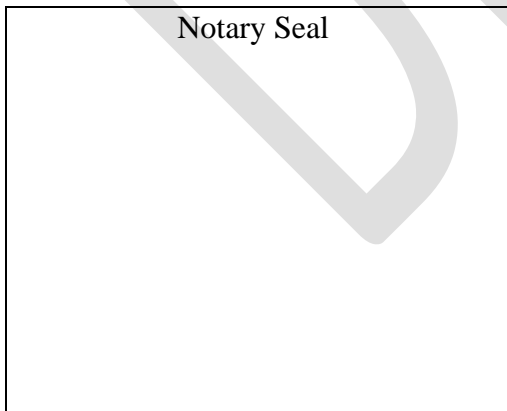
ATTEST: \_\_\_\_\_  
By: [Insert Printed Name and Title]

**ACKNOWLEDGEMENT**

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

I certify that I know or have satisfactory evidence that \_\_\_\_\_ 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 \_\_\_\_\_ of City of \_\_\_\_\_, 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: \_\_\_\_\_