



**REGULAR MEETING
RIVERBEND WATER RESOURCES DISTRICT
PUBLIC NOTICE OF BOARD OF DIRECTORS' MEETING
WEDNESDAY, MARCH 25, 2026
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 ("Riverbend") will conduct a meeting; open to the public, on **Wednesday, March 25, 2026, 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 25, 2026 Regular Meeting minutes.

- B. Discussion and possible action regarding approval of RESO 20260325-01 reviewing and updating the Purchasing Policy of Riverbend Water Resources District.
- C. Discussion and possible action regarding approval of RESO 20260325-02 reviewing and updating both the Capitalization Policy and the Investment Policy of Riverbend Water Resources District.

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 authorizing the Executive Director/CEO to execute any and all amendments to the funding contract with the Texas Water Development Board for the duration of the 7th cycle of regional water planning for the North East Texas Water Planning Group (Region D).**

This item pertains to the costs associated with the administration of Region D. Texas Water Development Board (TWDB) funds these activities and requires a contract to be signed with the administrator of Region D. In October 2025, the Board authorized the Executive Director/CEO to submit a grant application to the TWDB and execute an initial funding contract with TWDB on behalf of the Region D RWPG for initial funding of the 7th cycle of Regional Water Planning. The contract with TWDB will need to be amended periodically throughout the water planning cycle. Approval of this resolution authorizes the Executive Director/CEO to execute the initial funding contract as well as any and all amendments to the contract with TWDB throughout the 7th cycle of regional water planning. Staff recommends approval.

Action Item: Consider motion for approval of RESO 20260325-03 authorizing the Executive Director/CEO to execute any and all amendments to the funding contract with the Texas Water Development Board for the duration of the 7th cycle of regional water planning for the North East Texas Water Planning Group (Region D).

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 22, 2026 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 made to make the appropriate arrangements.

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, MARCH 25, 2026**

**CONSENT AGENDA ITEM IV. A.
February 25, 2026
Regular Meeting Minutes**

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

February 25, 2026

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:

Sonja Hubbard, President
Tina Veal-Gooch, Vice President
Lynn Davis, Previous President

Directors Absent:

Van Alexander, Treasurer
Steve Mayo, 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

Fred Milton led the invocation and the pledge of allegiance.

III. Public Comments

None.

IV. Consent Agenda Items

Items IV. A. & B. were considered under a Consent Agenda for one single motion of approval.

A. Discussion and possible action regarding January 28, 2026 Regular Meeting Minutes.

- B. Discussion and possible action regarding approval of RESO 20260225-01 reviewing and updating Riverbend's Drought Contingency Plan.

A single motion was made by Tina Veal-Gooch and seconded by Lynn Davis to approve the Consent Agenda Items as listed above. The motion passed unanimously.

VI. Regional Entity Reports

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

No report. No action taken.

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

No report. No action taken.

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

Sonja Hubbard provided that the ribbon cutting held last week for the Amazon distribution center marks its official opening. Rob Sitterly, Executive Director of Ar-Tex-REDI met with folks looking to take over TerraVolta mineral rights today. 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 2026.

Tara Houck presented the first quarter financials for FY 2026.

A motion was made by Tina Veal-Gooch and seconded by Lynn Davis to approve RESO 20260225-02 approving the first quarter financials for FY 2026. The motion passed unanimously.

- B. Discussion and possible action regarding approval of a resolution approving the first quarter investment report for FY 2026.

Tara Houck presented the first quarter investment report for FY 2026.

A motion was made by Lynn Davis and seconded by Tina Veal-Gooch to approve RESO 20260225-03 approving the first quarter investment report for FY 2026. 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 TWA 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 TWA Risk Management Fund, and the plan includes property insurance, workers' compensation insurance, board insurance and cyber security insurance. We do not have any information yet on any updated costs or a rate sheet. That will come closer to the start of our plan year which is July 2026. We have had inquiries from other local insurance companies regarding giving us a quote. We will reach out to them this week.

A motion was made by Tina Veal-Gooch and seconded by Lynn Davis to approve RESO 20260225-04 authorizing the Executive Director/CEO to execute an interlocal agreement(s) for risk management insurance with the TWA Risk Management Fund. The motion passed unanimously.

- D. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to act as the administrative agent for a water project impact study as outlined in the Final Mediated Agreement signed by and in response to the declared conflict between Regions C and D 2026 Initially Prepared Water Plans. The administrative duties will include but are not limited to publishing Requests for Qualifications, posting for and organizing joint committee meetings, and ensuring timely payments to firm(s) selected by the joint committee for engineering and or consulting services, etc.

Kyle Dooley provided information regarding the need for this authorization. Riverbend has been the administrative agent for Region D Water Planning Group since December 2020. In addition, a Joint Region C/Region D Water Planning Group Interregional Subcommittee has asked that Riverbend also be the administrative agent for the subcommittee as well. These duties of the administrative agent will be to help them publish RFQ's, post, schedule, and organize committee meetings, and manage payment to the selected firms for the work provided to the committee. These administrative duties will be very similar to the duties provided by staff to the Region D Water Planning Group.

A motion was made by Lynn Davis and seconded by Tina Veal-Gooch to approve RESO 20260225-05 authorizing the Executive Director/CEO to act as the administrative agent for a water project impact study as outlined in the Final Mediated Agreement signed by and in response to the declared conflict between Regions C and D 2026 Initially Prepared Water Plans. The motion passed unanimously.

- E. Discussion and possible action regarding approving a resolution authorizing the President of the Board of Directors to execute an amendment to the employment contract of the Executive Director/CEO.

Sonja Hubbard provided information on the need to amend the Executive Director/CEO employment contract. The original employment contract was signed in 2019 with an initial term of 3 years, renewing annually for one-year terms. The amendment will allow for an auto-renewal for 3-year terms at the beginning of each year provided either party does not provide notice of nonrenewal under the terms of the employment agreement.

A motion was made by Tina Veal-Gooch and seconded by Lynn Davis to approve RESO 20260225-06 authorizing the President of the Board of Directors to execute an amendment to the employment contract of the Executive Director/CEO. The motion passed unanimously.

- F. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to negotiate and execute an agreement with legal counsel to represent Riverbend Water Resources District in a potential action related to PFAS contamination.

Kyle Dooley provided that this item pertains to a retention agreement in connection with a potential action against several entities including the 3M Company and Dupont related to PFAS contamination from aqueous film-forming foam and other products. Riverbend would be represented by Kessler Topaz Meltzer & Cheek LLP, Nix Patterson, LLP, and Martin Law Group, PLLC. There will be no payment of any fees unless the lawsuit generates a recovery or benefit. The payment of fees is capped at 30% of the amount recovered plus reasonable expenses.

A motion was made by Lynn Davis and seconded by Tina Veal-Gooch to approve RESO 20260225-07 authorizing the Executive Director/CEO to negotiate and execute an agreement with legal counsel to represent Riverbend Water Resources District in a potential action related to PFAS contamination. 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.

Environmental Coordination

- Mitigation Projects for impacted USACE property are being negotiated with USACE Staff. Total impacted USACE property is 16 acres for intake and roads.

Design Progress

- 90% Design for raw water transmission main has been received and reviewed. Review workshop will be held in March.
- 90% Design for intake has been received and is being reviewed. Review will be completed in March.
- 60% Design review workshop for finished water transmission main was held. Further design progress is awaiting CMAR review once the CMAR is brought onto the program.
- 70% Design for the water treatment plant continues with plans due in March.

CMAR

- Final addendum was posted.
- Proposals are due 2/26/26.
- Interviews to be held 3/10/26.
- Selection notification 3/13/26.
- Award of contract 3/30/26.

Land Acquisition

- Easements continue to be acquired with several set for closing in the next 30 days.
- Final offer letters have been sent out.

- Exhibits for TexAmericas locating the site of the Water Treatment Plant and Potable Water Transmission have been sent. TexAmericas is reviewing.

USACE Outgrant Process

- The outgrant package (lease agreement) is under development, with biweekly meetings underway involving USACE real estate specialists and the lake office.
- Preliminary documents have been submitted to USACE. USACE has provided comments, which are being addressed.
- The final outgrant package will be submitted upon procurement of property in the flowage easement

Geotechnical Investigations

- Geotechnical reports are 95% complete.

Power Coordination

- BCECs subcontractor, Power Engineering, started the design of the substation.
- Exploration on alternative power delivery is being conducted.

Funding

- 2026 SWIFT abridged application package was submitted to TWDB and follow-up questions are being answered.
- 2026 Drinking Water State Revolving Funds Project Information File application is being developed for submission on March 6
- 2025 Drinking Water State Revolving Funds loan application is anticipated to be on the Riverbend's funding request is on the March Agenda for approval at TWDB.

Kyle also provided a few more details. There are currently two applications submitted to TWDB. A SWIFT application as well as a Drinking Water SRF application. In addition, there is still an active Drinking Water SRF application active from last year for \$59 Million. And it was being held up for the submittal of one audit for FY 2024. That audit is now complete and has been turned in to TWDB.

Industrial Waste Water Plant: Eli Hunt provided that TCEQ is still reviewing our permit and a decision could be made as soon as May or June. There will be a project kick-off meeting this afternoon.

No action taken.

VIII. Executive Session

The board stood at ease at 12:45 p.m.

The board reconvened in Executive Session at 12:50 p.m. with quorum pursuant to sections 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 25, 2026 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 25, 2026, were read and approved on the 25th day of March 2026.

Sonja Hubbard, President

Kyle Dooley, Executive Director/ CEO

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, MARCH 25, 2026**

**CONSENT AGENDA ITEM IV. B.
RWRD RESO 20260325-01
Purchasing Policy and
Procedure Manual**



RIVERBEND RESOLUTION NO. 20260325-01

**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; and

WHEREAS, Riverbend previously approved an update to the Purchasing Policy on March 26, 2025; 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 25th day of March 2026

Sonja Hubbard, President

ATTEST:

Steve Mayo, Secretary

Attached: Purchasing Policy and Procedure Manual





PURCHASING POLICY
&
PROCEDURE MANUAL

Adopted: 3/25/2026

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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:

Position	Level of Approval
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.

**REGULAR CALLED MEETING
RIVERBEND WATER RESOURCES DISTRICT
WEDNESDAY, MARCH 25, 2026**

**CONSENT AGENDA ITEM IV. B.
RWRD RESO 20260325-02
Capitalization Policy &
Investment Policy**



RIVERBEND RESOLUTION NO. 20260325-02

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

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

WHEREAS, the generally accepted accounting principles recommends the Board of Directors of the Riverbend Water Resources District to annually review its Capitalization Policy for accounting and audit purposes; and

WHEREAS, the Public Funds Act of Texas (the "Act"), 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 25th day of March 2026

Sonja Hubbard, President

ATTEST:

Steve Mayo, 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:

Asset Class	Description	Threshold	Useful life (years)
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: $(\text{Cost}-\text{Salvage value}) / \text{Estimated useful life} = \text{Depreciation per period}$.

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 25, 2026**

**AGENDA ITEM VI. A.
RWRD RESO 20260325-03
TWDB Funding Contract**



RIVERBEND RESOLUTION 20260325-03

AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE ANY AND ALL AMENDMENTS TO THE FUNDING CONTRACT WITH THE TEXAS WATER DEVELOPMENT BOARD FOR THE DURATION OF THE 7th CYCLE OF REGIONAL WATER PLANNING

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 North East Texas Regional Water Planning Group (“NETxRWPG” or “Region D”) was established by the Texas Water Development Board (TWDB) on February 19, 1998, and any subsequent additional appointments by the initial coordinating body. The purpose of the NETxRWPG shall be to provide comprehensive regional water planning and to carry out the related responsibilities placed on regional water planning groups by state law, including Texas Water Code Chapter 16 and TWDB rules, including 31 TAC Chapter 355, 357, and 358, in and for the North East Texas Regional Water Planning Area; and

WHEREAS, on October 22, 2025, the Board authorized the Executive Director/CEO to submit a grant application to the TWDB and execute an initial funding contract with TWDB on behalf of the Region D RWPG for initial funding of the 7th cycle of Regional Water Planning (2031 Regional Water Plans).

NOW, THEREFORE, BE IT RESOLVED that the District’s Executive Director/CEO is hereby authorized to execute any and all amendments to the funding contract with TWDB for the duration of the 7th cycle of Regional Water Planning. Any contract must be reviewed and approved by general counsel.

PASSED AND APPROVED, this the 25th day of March 2026

Sonja Hubbard, President

ATTEST:

Steve Mayo, Secretary

