



P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

AGENDA ITEM MEMO

BOARD MEETING DATE: June 12, 2024

TO: Board Members

THROUGH: Bryan McMath, Interim Executive Administrator
Ashley Harden, General Counsel
Jessica Peña, Deputy Executive Administrator, Water Supply and Infrastructure

FROM: T. Clay Schultz, Ph.D., Director, Regional Water Project Development
Joe Koen, Manager, Regional Water Project Development

SUBJECT: Riverbend Water Resources District Project No. 62883 Request for Extension of Commitment

ACTION REQUESTED

Consider amending by resolution the previously adopted Texas Water Development Board Resolution Nos. 20-075 and 20-076 to extend the Riverbend Water Resources District's Drinking Water State Revolving Fund commitment period and loan closing schedule.

BACKGROUND

In August 2020, the Texas Water Development Board (TWDB) approved a \$199,700,000 multi-year commitment to Riverbend Water Resources District (District) for planning, acquisition, design, and construction of a new regional water system. To date, the District has closed on \$125,400,000 for this project and the TWDB has authorized \$28,891,947 in contracts eligible for planning phase services. The remaining \$74,300,000 commitments are set to expire on August 31, 2024.

The District has experienced significant delays in finalizing the Memorandum of Agreement (MOA) between the United States Army Corps of Engineers and the City of Texarkana that is needed to complete environmental permitting for the project. The District anticipates the MOA will be finalized within the next year, delaying the project 18 to 24 months.

KEY ISSUES

Due to the delay in execution of the required MOA and subsequent delay in completion of planning and design, the District is requesting to extend the remaining commitment to

Our Mission

Leading the state's efforts
in ensuring a secure
water future for Texas

Board Members

Brooke T. Paup, Chairwoman | George B. Peyton V, Board Member | L'Oreal Stepney, P.E., Board Member
Bryan McMath, Interim Executive Administrator

August 31, 2026. The majority of funding in the remaining commitments will be needed for construction, which is now delayed for approximately two years.

Year	Amount per Resolution Nos. 20-075 and 20-076	Proposed Amendment
2021	\$18,000,000	\$18,000,000 (Closed)
2022	\$93,000,000	\$93,000,000 (Closed)
2023	\$14,400,000	\$14,400,000 (Closed)
2024	\$74,300,000	
2026		\$74,300,000

RECOMMENDATION

To better align available funding with the District's updated project schedule, the Executive Administrator recommends that TWDB Resolution Nos. 20-075 and 20-076, be amended to extend the commitment closing dates to August 31, 2026.

Attachments:

1. Resolution (24-)
2. Resolution 20-075
3. Resolution 20-076
4. Riverbend Water Resources District Extension Request Letter

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
AMENDING TWDB RESOLUTION NOS. 20-075 AND 20-076
TO EXTEND THE LOAN COMMITMENT PERIOD FOR THE
\$79,880,000 RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE
BONDS (REGIONAL WATER SYSTEM PROJECT)
AND
\$119,820,000 RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE
BONDS (REGIONAL WATER SYSTEM PROJECT) TAXABLE

(24-)

Recitals:

At its August 5, 2020 meeting, Texas Water Development Board (TWDB), by TWDB Resolution Nos. 20-075 and 20-076, made a multi-year commitment to provide financial assistance to the Riverbend Water Resources District (District) for the purpose of financing improvements to the District's water system in the amount of \$199,700,000 consisting of the TWDB's purchase of \$10,800,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project) Taxable, Proposed Series 2020A, \$55,800,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project) Taxable, Proposed Series 2021A, \$8,640,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project) Taxable, Proposed Series 2022A, \$44,580,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project) Taxable, Proposed Series 2023A, \$7,200,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), Proposed Series 2020B, \$37,200,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), Proposed Series 2021B, \$5,760,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), Proposed Series 2022B, \$29,720,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), Proposed Series 2023B, from the Drinking Water State Revolving Fund program, for planning, acquisition, design, and construction of project no. 62883, all as is more specifically set forth in the TWDB's Resolutions and accompanying documentation, to which documents express reference is made.

The District has closed on Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project) Taxable, Series 2020A, 2021A, and 2022A in the amount of \$75,240,000 and has closed on Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), Series 2020B, 2021B, and 2022B in the amount of \$50,160,000.

Pursuant to TWDB Resolution Nos. 20-075 and 20-076, the commitment period for the unclosed commitments of \$74,300,000 will expire August 31, 2024.

By a letter dated April 10, 2024, the District requested to extend the TWDB's commitments for the unclosed financial assistance of \$74,300,000 for an additional twenty-four (24) months to better align funding with scheduled work, all as is more

specifically set forth in the recommendations of the TWDB's staff, to which documents express reference is made.

Findings:

The TWDB hereby finds that granting an extension of twenty-four (24) months to the commitment period is reasonable and that the request is in the public interest and will serve a public purpose.

In accordance with the Texas Water Code, the TWDB has carefully considered all matters required by law.

NOW, THEREFORE, based on these considerations and findings, the TWDB resolves as follows:

1. The commitment of the TWDB to provide financial assistance in the amount of \$44,580,000, as authorized in TWDB Resolution No. 20-075, is amended to extend the commitment to August 31, 2026.
2. The commitment of the TWDB to provide financial assistance in the amount of \$29,720,000, as authorized in TWDB Resolution No. 20-076, is amended to extend the commitment to August 31, 2026.
3. All other terms and conditions of TWDB Resolution Nos. 20-075 and 20-076 shall remain in full force and effect.

APPROVED and ordered of record this the 12th day of June 2024.

TEXAS WATER DEVELOPMENT BOARD

Brooke T. Paup, Chairwoman

DATE SIGNED:

ATTEST:

Bryan McMath, Interim Executive Administrator

**A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$119,820,000 TO THE RIVERBEND WATER RESOURCES DISTRICT
IN THE FORM OF A MULTI-YEAR COMMITMENT
FROM THE DRINKING WATER STATE REVOLVING FUND
THROUGH THE PROPOSED PURCHASE OF
\$119,820,000 RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE BONDS
(REGIONAL WATER SYSTEM PROJECT) TAXABLE,
PROPOSED SERIES 2020A, PROPOSED SERIES 2021A, PROPOSED SERIES 2022A, AND
PROPOSED SERIES 2023A**

(20-075)

WHEREAS, the Riverbend Water Resources District (District), located in Bowie, Cass, and Red River Counties, has filed an application for financial assistance in the amount of \$119,820,000 from the Drinking Water State Revolving Fund (DWSRF) to finance the planning, acquisition, design, and construction of certain water system improvements identified as Project No. 62883; and

WHEREAS, the District seeks financial assistance from the Texas Water Development Board (TWDB) in the form of a multi-year commitment through the TWDB's proposed purchase of \$119,820,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project) Taxable, Proposed Series 2020A, Proposed Series 2021A, Proposed Series 2022A, and Proposed Series 2023A (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the TWDB's staff; and

WHEREAS, the TWDB is also considering a request from the District for the TWDB to provide financial assistance through the TWDB's proposed purchase of \$79,880,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System project), Proposed Series 2020B, Proposed Series 2021B, Proposed Series 2022B, and Proposed Series 2023B;

WHEREAS, the District has offered a pledge of contract revenue as sufficient security for the repayment of the Obligations; and

WHEREAS, the commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 371.13; and

WHEREAS, the TWDB hereby finds:

1. that the revenue and/or taxes pledged by the District will be sufficient to meet all the Obligations assumed by the District, in accordance with Texas Water Code § 15.607;

2. that the application and assistance applied for meet the requirements of the Safe Drinking Water Act, 42 U.S.C. §§ 300f *et seq.*, as well as state law, in accordance with Texas Water Code § 15.607;
3. that the District, a wholesale supplier of water, has adopted a resolution affirming that it will cooperate and coordinate with its retail providers to implement a water conservation program that will result in the more efficient use of water, that will meet reasonably anticipated local needs and conditions and that will incorporate those practices, techniques or technologies prescribed by the Texas Water Code and TWDB's rules; and
4. that the TWDB has approved a regional water plan for the region of the state that includes the area benefiting from the project and the needs to be addressed by the project will be addressed in a manner that is consistent with the approved regional and state water plans, as required by Texas Water Code § 16.053(j).

NOW, THEREFORE, based on these findings, the TWDB resolves as follows:

1. a commitment is made by the TWDB to the Riverbend Water Resources District for financial assistance in the amount of \$119,820,000 from the Drinking Water State Revolving Fund through the TWDB's proposed purchase of \$119,820,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), Taxable as follows:
 - a) \$10,800,000 Proposed Series 2020A to expire on August 31, 2021;
 - b) \$55,800,000 Proposed Series 2021A, to expire on August 31, 2022;
 - c) \$8,640,000 Proposed Series 2022A, to expire on August 31, 2023; and
 - d) \$44,580,000 Proposed Series 2023A, to expire on August 31, 2024.

Such commitment is conditioned as follows:

Standard Conditions

1. this commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand;
2. this commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that all of the requirements of the laws under which said Obligations were issued have been complied with; that said Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that said Obligations are valid and binding obligations of the District;

3. this commitment is contingent upon the District's compliance with all applicable requirements contained in 31 TAC Chapter 371;
4. the Obligations must provide that the Obligations can be called for early redemption on any date beginning on or after the first interest payment date which is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption;
5. the District, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the District's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the District's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the District is an obligated person with respect to such bonds under SEC Rule 15c2-12;
6. the Obligations must contain a provision requiring the District to levy a tax and/or maintain and collect sufficient rates and charges to produce system revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations;
7. the Obligations must include a provision requiring the District to use any loan proceeds from the Obligations that are determined to be remaining unused funds, which are those funds unspent after the original approved project is completed, for enhancements to the original project that are explicitly approved by the Executive Administrator or if no enhancements are authorized by the Executive Administrator, requiring the District to submit a final accounting and disposition of any unused funds;
8. the Obligations must include a provision requiring the District to use any loan proceeds from the Obligations that are determined to be surplus funds remaining after completion of the project and completion of a final accounting in a manner as approved by the Executive Administrator;
9. the Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;
10. loan proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in

accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257;

11. loan proceeds shall not be used by the District when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. The Obligations shall include an environmental indemnification provision wherein the District agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the District, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law;
12. prior to closing, the District shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements;
13. prior to closing, and if not previously provided with the application, the District shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel contracts, for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed under the contract, and acceptable to the Executive Administrator;
14. prior to closing, when any portion of the financial assistance is to be held in escrow or in trust, the District shall execute an escrow or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
15. the Executive Administrator may require that the District execute a separate financing agreement in form and substance acceptable to the Executive Administrator;
16. the TWDB retains the option to purchase the Obligations in separate lots and/or on an installment basis, with delivery of the purchase price for each installment to be paid against delivery of the relevant installment of Obligations as approved by the Executive Administrator;
17. the Obligations must provide that the District will comply with all applicable TWDB laws and rules related to the use of the financial assistance;
18. the Obligations must provide that the District must comply with all conditions as specified in the final environmental finding of the Executive Administrator when

issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources;

19. the Obligations must contain a provision requiring the District to maintain insurance coverage sufficient to protect the TWDB's interest in the project;

State Revolving Fund Conditions

20. the District shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines;
21. the Obligations must include a provision stating that all laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The District, all contractors, and all sub-contractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or in part with financial assistance made available as provided herein shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB;
22. the Obligations must include a provision stating that the District shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The District shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and maintain current registration at all times during which the Obligations are outstanding;
23. the Obligations shall provide that all loan proceeds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and also shall provide that the District will adhere to the approved project schedule;
24. the Obligations must contain a covenant that the District will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 371.4 and related State Revolving Fund Policy Guidelines;

Drinking Water State Revolving Fund Conditions

25. for each proposed bond series as described in the commitment of this Resolution, the District shall pay an origination fee approved by the Executive Administrator of the TWDB pursuant to 31 TAC Chapter 371;

26. prior to closing, the Texas Commission on Environmental Quality, must make a determination, the form and substance of which is satisfactory to the Executive Administrator, that the District has demonstrated the necessary financial, managerial, and technical capabilities to proceed with the project or projects to be funded with the proceeds of these Obligations;

Pledge Conditions for the Loan

27. upon request by the Executive Administrator, the District shall submit annual audits of contracting parties for the Executive Administrator's review;
28. the Obligations must contain a provision requiring the District to require its customers to maintain rates and charges sufficient to pay all of their revenue obligations arising from the operation of the water and sewer system;
29. the Obligations must contain a provision requiring the District to maintain and enforce the contracts with its customers so that revenues paid to the District by its customers are sufficient to meet the revenue requirements of the District's obligations arising from the operation of the water system;
30. the Obligations must contain a provision that the pledged contract revenues from the District may not be pledged to the payment of any additional parity obligations of the District secured by a pledge of the same contract revenues unless the District demonstrates to the Executive Administrator's satisfaction that the pledged contract revenues will be sufficient for the repayment of all Obligations and additional parity obligations; and
31. prior to closing, the District must submit executed contracts between the District and the contracting parties regarding the contract revenues pledged to the payment of the District's Obligations, in form and substance acceptable to the Executive Administrator. Such contracts shall include provisions consistent with the provisions of this Resolution regarding the contracting parties' annual audits, the setting of rates and charges and collection of revenues sufficient to meet the District's debt service obligations and additional parity obligations.

PROVIDED, however, the commitment is subject to the following special conditions:

Special Conditions:

32. prior to the release of funds for the costs of planning, engineering, architectural, legal, title, fiscal, or economic investigation, studies, surveys, or designs for that portion of a project that proposes surface water or groundwater development, the Executive Administrator must either issue a written finding that the District has the right to use the water that the project financed by the TWDB will provide or a written determination that a reasonable expectation exists that such a finding will

be made before the release of funds for construction;

33. prior to the release of construction funds for that portion of a project that proposes surface water or groundwater development, the Executive Administrator must have issued a written finding that the District has the right to use the water that the project financed by the TWDB will provide;
34. the District must notify the Executive Administrator in writing, thirty (30) days prior to taking any actions to alter its legal status in any manner;
35. the Obligations must include a provision requiring that the District notify the Executive Administrator in writing prior to any action by it to convey its Obligations held by the TWDB to another entity, the conveyance and the assumption of the Obligations must be approved by the TWDB; and
36. prior to the release of funds, the District shall provide a schedule of the useful life of the project components prepared by an engineer as well as a certification by the applicant that the average weighted maturity of the obligations purchased by the TWDB does not exceed 120% of the average estimated useful life of the project, as determined by the schedule.

APPROVED and ordered of record this 5th day of August 2020.

TEXAS WATER DEVELOPMENT BOARD

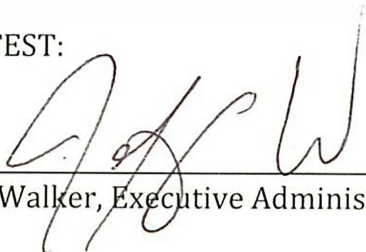


Peter M. Lake, Chairman

DATE SIGNED: _____

8/6/20

ATTEST:



Jeff Walker, Executive Administrator

**A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE TO THE RIVERBEND WATER
RESOURCES DISTRICT
IN THE FORM OF A MULTI-YEAR COMMITMENT
FROM THE DRINKING WATER STATE REVOLVING FUND
THROUGH THE PROPOSED PURCHASE OF
\$79,880,000 RIVERBEND WATER RESOURCES DISTRICT CONTRACT REVENUE BONDS
(REGIONAL WATER SYSTEM PROJECT),
PROPOSED SERIES 2020B, PROPOSED SERIES 2021B, PROPOSED SERIES 2022B, AND
PROPOSED SERIES 2023B**

(20-076)

WHEREAS, the Riverbend Water Resources District (District), located in Bowie, Cass, and Red River Counties, has filed an application for financial assistance in the amount of \$79,880,000 from the Drinking Water State Revolving Fund (DWSRF) to finance the planning, acquisition, design, and construction of certain water system improvements identified as Project No. 62883; and

WHEREAS, the District seeks financial assistance from the Texas Water Development Board (TWDB) in the form of a multi-year commitment through the TWDB's proposed purchase of \$79,880,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), Proposed Series 2020B, Proposed Series 2021B, Proposed Series 2022B, and Proposed Series 2023B (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the TWDB's staff; and

WHEREAS, the TWDB is also considering a request from the District for the TWDB to provide financial assistance through the TWDB's proposed purchase of \$119,820,000 Riverbend Water Resources District Riverbend Water Resources District Contract Revenue Bonds (Regional Water System project), Taxable, Proposed Series 2020A, Proposed Series 2021A, Proposed Series 2022A, and Proposed Series 2023A;

WHEREAS, the District has offered a pledge of contract revenue as sufficient security for the repayment of the Obligations; and

WHEREAS, the commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 371.13; and

WHEREAS, the TWDB hereby finds:

1. that the revenue and/or taxes pledged by the District will be sufficient to meet all the Obligations assumed by the District, in accordance with Texas Water Code § 15.607;

2. that the application and assistance applied for meet the requirements of the Safe Drinking Water Act, 42 U.S.C. §§ 300f *et seq.* as well as state law, in accordance with Texas Water Code § 15.607;
3. that the District, a wholesale supplier of water, has adopted a resolution affirming that it will cooperate and coordinate with its retail providers to implement a water conservation program that will result in the more efficient use of water, that will meet reasonably anticipated local needs and conditions and that will incorporate those practices, techniques or technologies prescribed by the Texas Water Code and TWDB's rules; and
4. that the TWDB has approved a regional water plan for the region of the state that includes the area benefiting from the project and the needs to be addressed by the project will be addressed in a manner that is consistent with the approved regional and state water plans, as required by Texas Water Code § 16.053(j).

NOW, THEREFORE, based on these findings, the TWDB resolves as follows:

a commitment is made by the TWDB to the Riverbend Water Resources District for financial assistance in the amount of \$79,880,000 from the Drinking Water State Revolving Fund through the TWDB's proposed purchase of \$79,880,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), as follows:

- a) \$7,200,000 Proposed Series 2020B, to expire on August 31, 2021;
- b) \$37,200,000 Proposed Series 2021B, to expire on August 31, 2022;
- c) \$5,760,000 Proposed Series 2022B, to expire on August 31, 2023; and
- d) \$29,720,000 Proposed Series 2023B, to expire on August 31, 2024.

Such commitment is conditioned as follows:

Standard Conditions

1. this commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand;
2. this commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that all of the requirements of the laws under which said Obligations were issued have been complied with; that said Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that said Obligations are valid and binding obligations of the District;

3. this commitment is contingent upon the District's compliance with all applicable requirements contained in 31 TAC Chapter 371;
4. the Obligations must provide that the District agrees to comply with all of the conditions set forth in the TWDB Resolution, which conditions are incorporated herein;
5. the Obligations must provide that the Obligations can be called for early redemption on any date beginning on or after the first interest payment date which is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption;
6. the District, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the District's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the District's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the District is an obligated person with respect to such bonds under SEC Rule 15c2-12;
7. the Obligations must contain a provision requiring the District to levy a tax and/or maintain and collect sufficient rates and charges, as applicable, to produce system funds in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations;
8. the Obligations must include a provision requiring the District to use any loan proceeds from the Obligations that are determined to be remaining unused funds, which are those funds unspent after the original approved project is completed, for enhancements to the original project that are explicitly approved by the Executive Administrator or if no enhancements are authorized by the Executive Administrator, requiring the District to submit a final accounting and disposition of any unused funds;
9. the Obligations must include a provision requiring the District to use any loan proceeds from the Obligations that are determined to be surplus funds remaining after completion of the project and completion of a final accounting in a manner as approved by the Executive Administrator;

10. the Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;
11. loan proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257;
12. loan proceeds shall not be used by the District when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. The Obligations shall include an environmental indemnification provision wherein the District agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the District, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law;
13. prior to closing, the District shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges and/or the levy of an interest and sinking tax rate (if applicable) sufficient for the repayment of all system debt service requirements;
14. prior to closing, and if not previously provided with the application, the District shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel contracts, for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator;
15. prior to closing, when any portion of the financial assistance is to be held in escrow or in trust, the District shall execute an escrow or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
16. the Executive Administrator may require that the District execute a separate financing agreement in form and substance acceptable to the Executive Administrator;
17. the TWDB retains the option to purchase the Obligations in separate lots and/or on an installment basis, with delivery of the purchase price for each installment to be paid against delivery of the relevant installment of Obligations as approved by the Executive Administrator;

18. the Obligations must provide that the District will comply with all applicable TWDB laws and rules related to the use of the financial assistance;
19. the Obligations must provide that the District must comply with all conditions as specified in the final environmental finding of the Executive Administrator when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources;
20. the Obligations must contain a provision requiring the District to maintain insurance coverage sufficient to protect the TWDB's interest in the project;

Conditions Related to Tax-Exempt Status

21. the District's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the District when rendering this opinion;
22. the District's bond counsel opinion must also state that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the District when rendering this opinion;
23. the Obligations must include a provision prohibiting the District from using the proceeds of this loan in a manner that would cause the Obligations to become "private activity bonds" within the meaning of section 141 of the Internal Revenue Code of 1986, as amended (Code) and the Treasury Regulations promulgated thereunder (Regulations);
24. the Obligations must provide that no portion of the proceeds of the loan will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of section 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in the Code and Regulations) which produce a yield materially higher than the yield on the TWDB's bonds that are issued to provide financing for the loan (Source Series Bonds), other than Nonpurpose Investments acquired with:
 - a. proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;
 - b. amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Regulations; and

- c. amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations;
25. the Obligations must include a provision requiring the District take all necessary steps to comply with the requirement that certain amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of section 148 of the Code. The Obligations must provide that the District will:
- a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and retain all records of such accounting for at least six years after the final Computation Date. The District may, however, to the extent permitted by law, commingle Gross Proceeds of its Loan with other money of the District, provided that the District separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;
 - b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its Loan, not less frequently than each Computation Date, in accordance with rules set forth in section 148(f) of the Code, section 1.148-3 of the Regulations, and the rulings thereunder. The District shall maintain a copy of such calculations for at least six years after the final Computation Date;
 - c. as additional consideration for the making of the Loan, and in order to induce the making of the Loan by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date;
 - d. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (b) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations;
26. the Obligations must include a provision prohibiting the District from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes;

27. the Obligations must provide that the District will not cause or permit the Obligations to be treated as “federally guaranteed” obligations within the meaning of section 149(b) of the Code;
28. the transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the District’s reasonable expectations regarding the use, expenditure and investment of the proceeds of the Obligations;
29. the Obligations must contain a provision that the District will refrain from using the proceeds provided by this TWDB commitment or the proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Obligations in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);
30. the transcript must include evidence that the information reporting requirements of section 149(e) of the Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of section 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply;
31. the Obligations must provide that neither the District nor a related party thereto will acquire any of the TWDB’s Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the District by the TWDB;

State Revolving Fund Conditions

32. the District shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines;
33. the Obligations must include a provision stating that all laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor’s implementing regulations. The District, all contractors, and all sub-contractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or in part with financial assistance made available as provided herein shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB;
34. the Obligations must include a provision stating that the District shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended

by Pub. L. 110-252. The District shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and maintain current registration at all times during which the Obligations are outstanding;

35. the Obligations shall provide that all loan proceeds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and also shall provide that the District will adhere to the approved project schedule;
33. the Obligations must contain a covenant that the District will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 371.4 and related State Revolving Fund Policy Guidelines;

Drinking Water State Revolving Fund Conditions

34. for each proposed bond series as described in the commitment of this Resolution, the District shall pay at closing an origination fee approved by the Executive Administrator of the TWDB pursuant to 31 TAC Chapter 371;
35. prior to closing, the Texas Commission on Environmental Quality, must make a determination, the form and substance of which is satisfactory to the Executive Administrator, that the District has demonstrated the necessary financial, managerial, and technical capabilities to proceed with the project or projects to be funded with the proceeds of these Obligations;

Pledge Conditions for the Loan

36. upon request by the Executive Administrator, the District shall submit annual audits of contracting parties for the Executive Administrator's review;
37. the Obligations must contain a provision requiring the District to maintain and enforce the contracts with its customers so that revenues paid to the District by its customers are sufficient to meet the revenue requirements of the District's obligations arising from the operation of the water system;
38. the Obligations must contain a provision that the pledged contract revenues from the District may not be pledged to the payment of any additional parity obligations of the District secured by a pledge of the same contract revenues unless the District demonstrates to the Executive Administrator's satisfaction that the pledged contract revenues will be sufficient for the repayment of all Obligations and additional parity obligations; and
39. prior to closing, the District must submit executed contracts between the District and the contracting parties regarding the contract revenues pledged to the payment of the District's Obligations, in form and substance acceptable to the Executive

Administrator. Such contracts shall include provisions consistent with the provisions of this Resolution regarding the contracting parties' annual audits, the setting of rates and charges and collection of revenues sufficient to meet the District's debt service obligations and additional parity obligations.

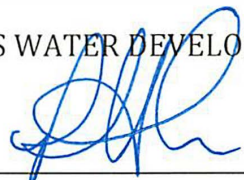
PROVIDED, however, the commitment is subject to the following special conditions:

Special Conditions:

40. the District must notify the Executive Administrator in writing, thirty (30) days prior to taking any actions to alter its legal status in any manner;
41. prior to the release of funds for the costs of planning, engineering, architectural, legal, title, fiscal, or economic investigation, studies, surveys, or designs for that portion of a project that proposes surface water or groundwater development, the Executive Administrator must either issue a written finding that the District has the right to use the water that the project financed by the TWDB will provide or a written determination that a reasonable expectation exists that such a finding will be made before the release of funds for construction;
42. prior to the release of construction funds for that portion of a project that proposes surface water or groundwater development, the Executive Administrator must have issued a written finding that the District has the right to use the water that the project financed by the TWDB will provide;
43. the Obligations must include a provision requiring that the District notify the Executive Administrator in writing prior to any action by it to convey its Obligations held by the TWDB to another entity, the conveyance and the assumption of the Obligations must be approved by the TWDB; and
44. prior to the release of funds, the District shall provide a schedule of the useful life of the project components prepared by an engineer as well as a certification by the applicant that the average weighted maturity of the obligations purchased by the TWDB does not exceed 120% of the average estimated useful life of the project, as determined by the schedule.

APPROVED and ordered of record this 5th day of August 2020.

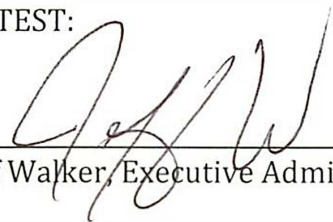
TEXAS WATER DEVELOPMENT BOARD



Peter M. Lake, Chairman

DATE SIGNED: 8/6/20

ATTEST:



Jeff Walker, Executive Administrator



April 10, 2024

Joe Koen
Texas Water Development Board
1700 North Congress Avenue
Austin, TX 78701

Reference: Request to Extend Closing Deadlines for DWSRF 62883

Dear Joe:

Riverbend Water Resources District has reviewed our current loan closing schedule for 2024 for DWSRF 62883. TWDB has approved a schedule to close for the following:

<u>Loan</u>		<u>Commitment Expires</u>
DWSRF 62883, LM231181	\$44,580,000	August 31, 2024
DWSRF 62883, LM231182	\$29,720,000	August 31, 2024

Our request is that the board amend both commitments and extend the Commitment to Close date to August 31, 2026.

This request is driven by a delay in finalizing the Memorandum of Agreement (MOA) between USACE Fort Worth District and the City of Texarkana. The MOA is for an agreed upon mechanism to obtain an outgrant of the water intake project on the shoreline of Wright Patman Lake. The delay was from January 2023 to current (awaiting final Commander endorsement). The delay in execution of the MOA also delayed the start of environmental permitting for the project. Environmental sub-contractor agreements were re-accomplished and fieldwork for the new water intake project is pending final endorsement of the MOA. This delay has caused a delay in design and construction. The overwhelming majority of funds from LM231181 and LM231182 will be needed for construction in approximately two years.

The Riverbend Water Resources District has successfully closed on a total of \$125,400,000 in DWSRF loans as part of these projects. These two remaining loans will close out the approved commitments. We will continue to plan accordingly to ensure success in the projects while remaining fiscally responsible.

Approval of this request would be greatly appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kyle Dooley", is written over the printed name and title.

Kyle Dooley
Executive Director