



PROJECT FUNDING REQUEST

BOARD DATE: March 31, 2026

Team Manager: Joe Koen

ACTION REQUESTED

Consider approving by resolution a request from the Riverbend Water Resources District (Red River County) for \$59,000,000 in financial assistance consisting of \$49,000,000 in financing and \$10,000,000 in principal forgiveness from Drinking Water State Revolving Fund for construction of a water system improvements project.

STAFF RECOMMENDATION

Approve No Action

BACKGROUND

The Riverbend Water Resources District (District) is located approximately 18 miles west of Texarkana, Texas, and provides service to entities in Bowie, Red River, and Cass counties. It is a conservation and reclamation district that provides water and wastewater services to the Red River Army Depot and approximately 75 retail customers. Once completed, the District's regional water system will serve 12 member entities and encompass a population of approximately 74,589.

In August 2020, the Texas Water Development Board (TWDB) approved a \$199,700,000 multi-year commitment to the District for planning, acquisition, design, and construction of a new regional water system to address non-compliance with minimum water supply capacity requirements. In June 2024, the commitment was amended to extend the closing dates due to delays in permitting for the project.

In April 2025, the United States Army Corps of Engineers and the City of Texarkana completed the Memorandum of Agreement (MOA) for the project. And in October 2025, the District completed planning for the project.

To date, the District has closed on \$125,400,000 for this project and the TWDB has authorized \$79,891,215 in contracts eligible for planning and design phase services. The remaining \$74,300,000 commitments are scheduled to close in July 2026.

The District has experienced significant cost increases due to inflation since the project was committed in 2020. Project costs have exceeded the budget and the District requires additional funds to complete construction of the project.

PROJECT NEED AND DESCRIPTION

The District and its member entities purchase treated water on a wholesale basis from Texarkana Water Utility (TWU). TWU's production limitation has resulted in the member entities being in non-compliance with minimum water supply capacity requirements. This has impacted the member entities' ability to serve their growing water demands and expand

COMMITMENT PERIOD: SIX (6) MONTHS TO EXPIRE SEPTEMBER 30, 2026

their water service area. As noted in the 2016 Region D Water Plan, each of the Riverbend Water Resources District's member entities are projected to have a water supply shortage due to the production limits of the aging TWU water treatment plant.

The project consists of constructing a new raw water intake on Wright Patman Lake, raw water pump station and transmission pipeline, a new 25 million gallon per day (MGD) water treatment plant, environmental mitigation efforts, and decommissioning of TWU's New Boston Road Water Treatment Plant and raw water conveyance system. The District will serve as the lead funding sponsor for the project and regional wholesale water provider. The District's current funding request is for additional funding to complete the construction of the project.

PROJECT SCHEDULE

Task	Schedule Date
Engineering Feasibility Report Completion (End of Planning Phase)	October 16, 2025
Closing	August 1, 2026
Design Phase Completion	June 17, 2026
Start of Construction	September 23, 2026
Construction Completion	November 29, 2028

KEY ISSUES

The District qualifies for \$10,000,000 in principal forgiveness as a disadvantaged community through the Drinking Water State Revolving Fund program.

LEGAL/SPECIAL CONDITIONS

- Executed principal forgiveness agreement
- Return of surplus principal forgiveness funds
- Notice of change in legal status
- Notice of conveyance

Attachments:

1. Financial Review
2. Project Budget
3. Resolution (26-)
4. Water Conservation Review
5. Location Map

Financial Review

Riverbend Water Resource District

Attachment 1

Risk Score:

Central Bowie WSC – 2B
 City of Leary – 2B
 City of Maud – 2A
 City of Nash – 2A

Audit Reviewed:

FY2024

Key Indicators
Member Entities 1-4

Indicator	Central Bowie WSC	City of Leary	City of Maud	City of Nash	Benchmark
Population Growth, Average Annual 2010-2020	Counties: 0.04%	Counties: -1.33%	Counties: -0.77%	Counties: 2.57%	State: 1.49%
Top 10 Customers % of Total Revenue	7%	30%	19%	14%	10-15%
Median Household Income as % of State	78%	72%	70%	50%	100%
Days of Cash on Hand (3-year Average)	192 days	138 days	68 days	819 days	30-149 days
Net Fixed Assets/ Annual Depreciation	27 years	25 years	14 years	13 years	12-24 years
Debt Service Coverage Ratio	0.76x	1.93x	2.22x	0.77x	1.0x
Debt-to-Operating Revenues	3.28	6.68	0.61	0.50	4.00-5.99x
Unemployment Rate (December 2025)	Counties: 3.80%	Counties: 3.80%	Counties: 3.80%	Counties: 3.80%	State: 3.90%
Working Capital Ratio	3.32	0.74	1.13	11.05	> 1.0
Cash Balance Ratio	-11.21%	80.32%	78.42%	27.73%	0-9.99%
Household Cost Factor	2.89%	2.94%	2.55%	3.04%	1.51-2.00%

Risk Score:

City of New Boston – 2A
 Oak Grove WSC – 2B City
 of Texarkana – 2A City of
 Wake Village – 2A

Audit Reviewed:

FY2024

Key Indicators
Member Entities 5-8

Indicator	City of New Boston	Oak Grove WSC	City of Texarkana	City of Wake Village	Benchmark
Population Growth, Average Annual 2010-2020	Counties: 0.14%	Counties: 0.23%	Counties: -.06%	Counties: 0.80%	State: 1.49%
Top 10 Customers % of Total Revenue	63%	11%	20%	28%	10-15%
Median Household Income as % of State	81%	80%	66%	90%	100%
Days of Cash on Hand (3-year Average)	466 days	579 days	403 days	466 days	30-149 days
Net Fixed Assets/ Annual Depreciation	17 years	3 years	16 years	16 years	12-24 years
Debt Service Coverage Ratio	1.95x	0.59x	1.99x	0.50x	1.0x
Debt-to-Operating Revenues	1.71	1.47	1.82	0.99	4.00-5.99x
Unemployment Rate (December 2025)	Counties: 3.80%	Counties: 4.05%	Counties: 3.90%	Counties: 3.80%	State: 3.90%
Working Capital Ratio	12.19	NA	7.14	13.19	> 1.0
Cash Balance Ratio	56.51%	80.13%	48.82%	57.10%	0-9.99%
Household Cost Factor	1.82%	3.24%	1.32%	0.95%	1.51-2.00%

Risk Score:

City of Annona – 2C
City of Redwater – 2B
City of Hooks - 2B City
of Avery – 2C

Audit Reviewed:

FY2024

Key Indicators
Member Entities 9-
12

Indicator	City of Annona	City of Red Water	City of Hooks	City of Avery	Benchmark
Population Growth, Average Annual 2010-2020	Red River Co: -5.23%	Bowie Co: -2.12%	Bowie Co: -0.95%	Red River Co: -1.34%	State: 1.49%
Top 10 Customers % of Total Revenue	23%	1%	8%	32%	10-15%
Median Household Income as % of State	50%	77%	71%	68%	100%
Days of Cash on Hand (3-year Average)	34 days	199 days	58 days	0 days	30-149 days
Net Fixed Assets/ Annual Depreciation	1 years	8 years	18 years	11 years	12-24 years
Debt Service Coverage Ratio	-0.06x	0.27x	1.40x	-4.65x	1.0x
Debt-to-Operating Revenues	4.94	1.97	2.10	0.93	4.00-5.99x
Unemployment Rate (December 2025)	Counties: 4.70%	Counties: 3.80%	Countis: 3.80%	Counties: 4.70%	State: 3.90%
Working Capital Ratio	0.61	1.40	2.74	1.07	> 1.0
Cash Balance Ratio	17.70%	40.19%	-44.18%	-5.81%	0-9.99%
Household Cost Factor	3.82%	2.38%	2.21%	1.91%	1.51-2.00%

Key Risk Score Strengths

- The cash balance ratio improved in 9 of the 12 member entities, indicating improved liquidity positions.
- Central Bowie WSC, Oak Grove WSC, and the Cities of Leary, Maud, Nash, New Boston, Texarkana, Wake Village, Annona, Redwater, and Hooks met or exceeded the benchmark for days of cash on hand, demonstrating adequate liquidity to cover ongoing operating expenses.

Key Risk Score Concerns

- Central Bowie WSC's cash balance ratio is below the benchmark due to a capital acquisition in 2024. Its cash balance increased from \$800k to \$1 million over the past four years. Similarly, the City of Hooks experienced a 44 percent decline due to reallocating funds to investments and making capital improvements in 2023 and 2024. The City has continued to have surplus revenue in operating activities over the last three years
- Pledged revenues are derived from contract payments made by Central Bowie WSC, Oak Grove WSC, and the Cities of Leary, Maud, Nash, New Boston, Texarkana, Wake Village, Annona, Redwater, Hooks, and Avery based on their respective project allocations. Under a no-growth scenario, 7 out of the 12 entities are projected to require rate increases to meet the required coverage. Central Bowie WSC, Oak Grove WSC, Nash, Wake Village, Annona, Redwater and Avery will require a \$4.09, \$2.00, \$10.39, \$2.27, \$19.58, \$6.73, and \$3.47 rate increase by 2027, respectively. The City of Avery was projected to phase in incremental increases beginning in 2027; however, a \$15.00 rate increase implemented in August 2025 is expected to mitigate the need for additional increases over the life of the obligation.

Each member entity is contractually obligated to make minimum monthly payments under a take-or-pay structure for a fixed annual volume of treated water, irrespective of actual usage. These payments are calculated to cover debt service on the regional water system facilities and improvements, ensuring a stable and predictable revenue stream for Riverbend. The enforceable nature of the minimum purchase commitment supports revenue predictability and underpins credit stability throughout the 50-year term of the contract, with potential extensions of up to 20 additional years.

- Revenue concentration among top water customers varies significantly across member entities, highlighting potential rate sensitivity to customer loss:
 - **City of Leary:** Top ten water customers represent 30 percent of total water revenue, with a single retail and transportation company alone accounting for 15.78 percent. A stress test removing this customer indicates the City would need to increase rates by \$0.77 starting in 2043 until reaching the max rate increase of \$10.32 by 2049.

- **City of Maud:** Top ten water customers represent 19 percent of revenue, including 7 percent from the educational services sector. Excluding this sector, the City would still meet coverage and not need a rate increase.
 - **City of New Boston:** Revenue is highly concentrated, with 63 percent coming from the top ten customers and 54.80 percent from a single prison facility. A stress test removing this customer indicates the City would need to increase rates by \$72.84 starting in 2027.
 - **City of Texarkana:** The top ten customers contribute 20 percent of water revenue, with 5.03 percent from a single federal prison and 4.45 from a hospital. Excluding this sector, the City would still meet coverage and not need a rate increase.
 - **City of Wake Village:** Top ten customers account for 28 percent of revenue, including 16.90 percent from multifamily residential properties. Removing this sector would increase the projected rate from \$2.27 to \$9.51.
 - **City of Annona:** Top ten customers account for 23 percent of revenue all from single-family residential properties. A stress test was not conducted as all customers do not exceed 5 percent of the total revenue.
 - **City of Avery:** Top ten customers represent 32 percent of revenue, including 15.5 percent from the educational services sector. Removing this sector would increase the projected rate from \$3.47 to \$3.80
- The household cost factor exceeds the 2.0 percent benchmark in 8 of the 12 member entities, including Oak Grove WSC, the Cities of Leary, Nash, Maud, Annona, Redwater, and Hooks, as well as Central Bowie WSC. While these elevated levels indicate affordability relative to median household income, collection trends suggest customers continue to meet payment obligations.
 - Central Bowie WSC's accounts receivable declined from \$97,708 in 2022 to \$78,695 in 2024, representing a 19.5 percent reduction over the three-year period indicating improved collection performance despite higher household cost levels. Redwater's accounts receivable increased from \$114,227 in 2022 to \$115,152 in 2024, a 0.8 percent increase over the past three years.
 - Annona has only one year of audited financial data available, limiting the ability to assess longer-term affordability trends or collection predictability. For the 2024 year, accounts receivables to operating revenue was 16.63 percent.
 - For Oak Grove, Hooks, Leary, Nash, and Maud, although the household cost factor remains elevated, no additional rate increases are currently projected, and cash flow performance has remained stable over the past three years.

- The City of Avery did not perform audits from 2020 through 2022 but completed audits for 2023 and 2024. In both 2023 and 2024, the utility fund posted deficits. The system has not been self-sufficient, with water purchases, sewer costs, maintenance, and other utility expenses outpacing revenue, resulting in the shortfall. The general fund has generated a positive operating surplus and has been used to subsidize the utility fund, which is reflected in the –5.81 percent cash balance ratio.

The City has implemented a \$15.00 rate increase as of August 2025 for the water system.

- The City of Annona has completed its first annual audit for fiscal year 2024. Based on those financial statements, the City reported a negative operating income of \$1,304. The loss was primarily due to necessary repair and maintenance activities, including the replacement of broken and non-functioning water meters. The City reported these replacements were part of the City's effort to reduce water loss, improve billing accuracy, and enhance revenue recovery.

The City also reported a negative net position of \$34,657, a condition that existed prior to the current administration. Since then, the City has undertaken infrastructure repairs, operational improvements, and implemented a rate adjustment in October 2024. According to the Mayor, prior management practices affected the system, and efforts are underway to address identified issues.

A projected \$19.58 rate increase has been communicated to the City. According to City representatives, they do not anticipate issues related to its implementation. The City reported that the community has been informed of the improvements needed and the potential rate increases associated with those improvements. The City has indicated that it anticipates the utility's financial condition to stabilize within two to three years.

- The audit identified two material weaknesses for the City of Annona. The first involved segregation of duties due to limited staffing. Because full segregation of functions is not feasible, the City implemented compensating controls. These include dual signatures on all disbursements, required approval of expenditures by the Mayor and City Council, monthly bank reconciliations, and monthly financial reporting to provide oversight.

The second finding involved a lack of supporting documentation for customer deposits and allowances for uncollectible accounts. Prior to the audit, the City adopted a Financial Planning and Analysis Management Policy on July 16, 2025. This policy established formal financial controls and oversight procedures. The City has since strengthened documentation practices and implemented formal reconciliation procedures.

PLEDGE

Legal Pledge Name	Contract Revenue Bond
Type of Pledge	<input type="checkbox"/> Tax <input type="checkbox"/> Revenue <input type="checkbox"/> Tax & Revenue <input checked="" type="checkbox"/> Contract <input type="checkbox"/> Other
Revenue Pledge Level	<input type="checkbox"/> First <input type="checkbox"/> Second <input type="checkbox"/> Third <input checked="" type="checkbox"/> N/A

RATES AND CHARGES – Central Bowie WSC

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (2027)	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$85.00	\$89.09	2.80	2.89

RATES AND CHARGES – City of Leary

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (Year 2049)	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$69.75	\$70.13	2.93	2.93
Wastewater	5,000	\$58.00	\$58.00	2.93	

RATES AND CHARGES – City of Maud

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$61.88	\$61.88	2.55	2.55
Wastewater	5,000	\$56.55	\$56.55	2.55	

RATES AND CHARGES – City of Nash

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (Year 2027)	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$52.85	\$63.24	2.70	3.04
Wastewater	5,000	\$29.90	\$29.90	2.70	

RATES AND CHARGES – City of New Boston

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$64.58	\$64.58	1.82	1.82
Wastewater	5,000	\$24.81	\$24.81	1.82	

RATES AND CHARGES – Oak Grove WSC

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (Year 2031)	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$105.91	\$108.51	3.18	3.24

RATES AND CHARGES – City of Texarkana

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$24.10	\$24.10	1.32	1.32
Wastewater	5,000	\$28.90	\$28.90	1.32	

RATES AND CHARGES – City of Wake Village

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (Year 2055)	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$24.75	\$27.02	0.91	0.95
Wastewater	5,000	\$24.75	\$24.75	0.91	

RATES AND CHARGES – City of Annona

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (Year 2027)	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$53.10	\$72.68	3.17	3.82
Wastewater	5,000	\$42.60	\$42.60	3.17	

RATES AND CHARGES – City of Redwater

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (Year 2027)	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$64.43	\$71.16	2.24	2.38
Wastewater	5,000	\$41.30	\$41.30	2.24	

RATES AND CHARGES – City of Hooks

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$45.61	\$45.61	2.21	2.21
Wastewater	5,000	\$50.25	\$50.25	2.21	

RATES AND CHARGES – City of Avery

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$53.10	\$53.10	1.91	1.91
Wastewater	5,000	\$25.50	\$25.50	1.91	

Cost Savings

Based on a 30-year maturity schedule and current interest rates, the District could save approximately \$20,816,584 over the life of financing. Additionally, the District is receiving \$10,000,000 in principal forgiveness.

Responsible Authority	Riverbend Water Resources District
Program	DWSRF
Commitment Number	L1002369, LF1002370
Project Number	62883
List Year	2025
Type of Pledge	Contract Revenue Pledge
Pledge Level (if applicable)	N/A
Legal Description	\$49,000,000 Riverbend Water Resources District, Texas, Contract Revenue Bond, Taxable Proposed Series 2026, \$10,000,000 Riverbend Water Resources District, Texas, Principal Forgiveness Agreement
Tax-exempt or Taxable	Taxable
Refinance	No
Outlay Requirement	Yes
Disbursement Method	Escrow
Outlay Type	Outlay = Escrow Release
Qualifies as Disadvantaged	No
State Revolving Fund Type	Equivalency
Financial Managerial & Technical Complete	Yes
Phases Funded	Construction
Pre-Design	No
Project Consistent with State Water Plan	Yes
Water Conservation Plan	Adopted
Overall Risk Score	NA
Sub entity Risk Score	

Central Bowie WSC: 2B	City of New Boston: 2A	City of Annona: 2C
City of Leary: 2B	Oak Grove WSC: 2B	City of Redwater: 2B
City of Maud: 2A	City of Texarkana: 2A	City of Hooks: 2B
City of Nash: 2A	City of Wake Village: 2A	City of Avery: 2C

PROJECT TEAM

Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
Joe Koen	Raul Flores	Jason Asbury	Kylie Beard	Breann Hunter

ISSUE BEING EVALUATED
FOR ILLUSTRATION PURPOSES ONLY
Riverbend Water Resources District

\$49,000,000 Riverbend Water Resources District Contract Revenue Bond, Taxable Proposed Series 2026

Dated Date:	8/1/2026	Source:	DWSRF-EQUIVALENCY
Delivery Date:	8/1/2026	Rate:	4.23%
First Interest:	3/15/2027	IUP Year:	2025
First Principal:	3/15/2027	Case:	Revenue
Last Principal:	3/15/2056	Admin.Fee:	\$960,784
Fiscal Year End:	09/30	Admin. Fee Payment Date:	8/1/2026
Required Coverage:	1.0		

FISCAL YEAR	PROJECTED NET SYSTEM REVENUES	CURRENT DEBT SERVICE	\$49,000,000 ISSUE				TOTAL DEBT SERVICE	COVERAGE
			PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT		
2027	\$12,394,778	\$9,276,678	\$925,000	2.87%	\$2,193,100	\$3,118,100	\$12,394,778	1.00
2028	12,394,778	9,306,206	965,000	2.91%	1,925,488	2,890,488	12,196,694	1.02
2029	12,394,778	9,341,693	1,005,000	2.95%	1,896,623	2,901,623	12,243,316	1.01
2030	12,394,778	9,387,000	1,035,000	2.96%	1,866,482	2,901,482	12,288,481	1.01
2031	12,394,778	9,435,801	1,115,000	3.11%	1,833,825	2,948,825	12,384,626	1.00
2032	12,394,778	8,921,620	1,165,000	3.17%	1,798,022	2,963,022	11,884,642	1.04
2033	12,394,778	8,919,723	1,255,000	3.33%	1,758,661	3,013,661	11,933,384	1.04
2034	12,394,778	8,917,249	1,285,000	3.39%	1,715,984	3,000,984	11,918,234	1.04
2035	12,394,778	8,918,789	1,335,000	3.60%	1,670,174	3,005,174	11,923,962	1.04
2036	12,394,778	8,918,981	1,375,000	3.65%	1,621,050	2,996,050	11,915,031	1.04
2037	12,394,778	8,917,621	1,405,000	3.71%	1,569,893	2,974,893	11,892,514	1.04
2038	12,394,778	8,914,958	1,445,000	3.76%	1,516,665	2,961,665	11,876,622	1.04
2039	12,394,778	8,910,680	1,485,000	3.79%	1,461,358	2,946,358	11,857,037	1.05
2040	12,394,778	8,918,178	1,545,000	3.82%	1,403,708	2,948,708	11,866,886	1.04
2041	12,394,778	8,921,346	1,605,000	3.90%	1,342,901	2,947,901	11,869,246	1.04
2042	12,394,778	8,914,882	1,635,000	4.30%	1,276,451	2,911,451	11,826,332	1.05
2043	12,394,778	8,913,487	1,685,000	4.32%	1,204,902	2,889,902	11,803,389	1.05
2044	12,394,778	8,916,382	1,715,000	4.32%	1,131,462	2,846,462	11,762,844	1.05
2045	12,394,778	8,917,451	1,775,000	4.33%	1,055,989	2,830,989	11,748,441	1.06
2046	11,336,316	5,805,218	1,805,000	4.34%	978,392	2,783,392	8,588,610	1.32
2047	11,336,316	5,523,028	1,845,000	4.35%	899,095	2,744,095	8,267,123	1.37
2048	11,336,316	5,523,911	1,900,000	4.36%	817,546	2,717,546	8,241,457	1.38
2049	11,336,316	5,531,377	1,945,000	4.36%	733,725	2,678,725	8,210,102	1.38
2050	11,336,316	5,525,439	2,025,000	4.37%	647,078	2,672,078	8,197,517	1.38
2051	11,336,316	5,531,014	2,145,000	4.37%	555,963	2,700,963	8,231,977	1.38
2052	11,336,316	5,527,918	2,235,000	4.38%	460,149	2,695,149	8,223,066	1.38
2053	11,336,316	836,371	2,265,000	4.39%	361,485	2,626,485	3,462,856	3.27
2054	11,336,316	837,384	2,315,000	4.39%	260,954	2,575,954	3,413,338	3.32
2055	11,336,316	-	2,365,000	4.40%	158,110	2,523,110	2,523,110	4.49
2056	11,336,316	-	2,400,000	4.42%	53,040	2,453,040	2,453,040	4.62
		\$212,230,382	\$49,000,000		\$36,168,272	\$85,168,272	\$297,398,654	

AVERAGE (MATURITY) LIFE	17.44 YEARS
NET INTEREST RATE	4.233%
COST SAVINGS	\$20,816,584
AVERAGE ANNUAL REQUIREMENT	\$2,838,942

Disclaimer: This is a working document and is provided as a courtesy. All information contained herein, including the proposed interest rate, is subject to change upon further review of the TWDB in accordance with 31 Texas Administrative Code Chapters 363, 371, 375, or 384, as applicable. The TWDB does not function as a financial advisor to anyone in connection with this financing. The information contained in this document is used by TWDB staff to analyze the application for financing is illustrative only and does not constitute any guaranty of future rates. The TWDB makes no claim regarding the applicability of the information at closing, at which time actual rates will be set.



Project Budget Summary
Riverbend Water Resources District
62883 - Riverbend Regional Water System

Budget Items	DWSRF (Application) This Commitment	DWSRF Previous Commitments	Total Project
Construction			
Construction	\$54,685,274.00	\$87,629,913.50	\$142,315,187.50
Subtotal for Construction	\$54,685,274.00	\$87,629,913.50	\$142,315,187.50
Basic Engineering Services			
Construction Engineering		\$1,419,687.66	\$1,419,687.66
Design		\$19,803,710.86	\$19,803,710.86
Planning		\$19,915,876.10	\$19,915,876.10
Subtotal for Basic Engineering Services		\$41,139,274.62	\$41,139,274.62
Special Services			
Application		\$0.00	\$0.00
Environmental		\$22,000,000.00	\$22,000,000.00
Geotechnical		\$1,871,902.61	\$1,871,902.61
Inspection		\$100,000.00	\$100,000.00
Surveying		\$1,142,600.00	\$1,142,600.00
Testing		\$100,000.00	\$100,000.00
Water Distribution Modeling		\$0.00	\$0.00
Subtotal for Special Services		\$25,214,502.61	\$25,214,502.61
Fiscal Services			
Bond Counsel	\$250,000.00	\$750,584.83	\$1,000,584.83
Reserve Fund	\$2,838,942.00		\$2,838,942.00
Capitalized Interest		\$4,500,000.00	\$4,500,000.00
Financial Advisor	\$250,000.00	\$748,310.69	\$998,310.69
Fiscal/Legal		\$63,408.61	\$63,408.61
Issuance Costs	\$15,000.00	\$60,000.00	\$75,000.00
Loan Origination Fee	\$960,784.00	\$2,458,824.00	\$3,419,608.00
Subtotal for Fiscal Services	\$4,314,726.00	\$8,581,128.13	\$12,895,854.13
Other			
Administration		\$140,000.00	\$140,000.00
Land/Easements Acquisition		\$1,900,000.00	\$1,900,000.00
Project Legal Expenses		\$180,000.00	\$180,000.00
Subtotal for Other		\$2,220,000.00	\$2,220,000.00
Contingency			
Contingency		\$15,326,675.00	\$15,326,675.00
Subtotal for Contingency		\$15,326,675.00	\$15,326,675.00
Project Management (WSIP) (Special Services)		\$19,588,506.14	\$19,588,506.14
Subtotal for		\$19,588,506.14	\$19,588,506.14
Total	\$59,000,000.00	\$199,700,000.00	\$258,700,000.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$59,000,000 TO THE RIVERBEND WATER RESOURCES DISTRICT
FROM THE DRINKING WATER STATE REVOLVING FUND
THROUGH THE PROPOSED PURCHASE OF
\$49,000,000 RIVERBEND WATER RESOURCES DISTRICT CONTRACT
REVENUE BONDS (REGIONAL WATER SYSTEM PROJECT), PROPOSED TAXABLE
SERIES 2026A,
AND
\$10,000,000 IN PRINCIPAL FORGIVENESS

(26 -)

Recitals:

The Riverbend Water Resources District (District), located in Red River County, has applied for financial assistance in the amount of \$59,000,000 from the Drinking Water State Revolving Fund (DWSRF) to finance the construction of certain water system improvements identified as Project No. 62883.

The District seeks financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase of \$49,000,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), Proposed Taxable Series 2026A, (Obligations), together with all authorizing documents, and the execution of a Principal Forgiveness Agreement in an amount of \$10,000,000, as is more specifically set forth in the application and in recommendations of the TWDB's staff.

The District has offered a pledge of contract revenues as sufficient security for the repayment of the Obligations.

Findings:

1. The revenue 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. 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. The term of the Obligations does not exceed the expected useful life of the project proposed by the District.
4. The District has adopted and implemented a water conservation program for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques, or technology prescribed by the Texas Water Code and TWDB's rules.

5. 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 consistent with the approved regional and state water plans, as required by Texas Water Code § 16.053(j).
6. The District has completed a current water audit required by Texas Water Code § 16.0121 and 31 TAC § 358.6 and filed it with the TWDB in accordance with Texas Water Code § 16.053(j).
7. The District meets the definition of “Disadvantaged Community” in 31 TAC § 371.1(24) and is therefore eligible for principal forgiveness in the amount of \$10,000,000.

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 \$59,000,000 from the Drinking Water State Revolving Fund through the TWDB’s proposed purchase of \$49,000,000 Riverbend Water Resources District Contract Revenue Bonds (Regional Water System Project), Proposed Taxable Series 2026A and the execution of a Principal Forgiveness Agreement in the amount of \$10,000,000. This commitment will expire on September 30, 2026.

The 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 as determined by the TWDB. If the financial assistance is funded with available cash-on-hand, the TWDB reserves the right to change the designated source of funds to bond proceeds issued for the purpose of reimbursing funds used to provide the financial assistance approved in this Resolution.
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 the requirements of the laws under which the Obligations were issued have been complied with; that the Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that the 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 the conditions set forth in the TWDB Resolution.
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 that 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 the 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 the rule, this 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 the Obligations, and the beneficial owners of the TWDB's bonds if the District is an obligated person with respect to those bonds under SEC Rule 15c2-12.
7. The Obligations must include a provision requiring the District to use any financial assistance 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 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 financial assistance proceeds from the Obligations determined to be surplus funds in a manner approved by the Executive Administrator. Surplus funds are funds remaining after completion of the project and completion of a final accounting.
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. Proceeds of this commitment are public funds. Therefore, 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. Proceeds of this commitment must not be used by the District when sampling, testing, removing, or disposing of contaminated soils or media at the project site, except for an LSLR project or associated activity directly connected to the identification, planning, design, and replacement of lead service lines or for an EC project to address PFAs or any contaminant listed on EPA's Contaminant Candidate Lists. The Obligations must include an environmental indemnification provision wherein the District agrees, and agrees to cause its construction contractors, to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action, or damages arising from activities performed by the District or its construction contractors, including their officials and employees, in connection with the project, to the extent permitted by law.

12. Before 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.
13. Before 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.
14. The Executive Administrator may require the District to execute a separate financing agreement in form and substance acceptable to the Executive Administrator.
15. The TWDB retains the option to purchase the Obligations in separate lots 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.
16. The Obligations must provide that the District will comply with all applicable TWDB laws and rules related to the use of the financial assistance.
17. 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.
18. The Obligations must contain a provision requiring the District to maintain insurance coverage sufficient to protect the TWDB's interest in the project.
19. The District must immediately notify TWDB, in writing, of any suit against it by the Attorney General of Texas under Texas Penal Code § 1.10(f) (related to federal laws regulating firearms, firearm accessories, and firearm ammunition).
20. The Obligations must provide that the District will submit annually an audit prepared by a certified public accountant in accordance with generally accepted auditing standards.
21. Before closing, the District shall submit to the escrow agent a closing memo signed by the Executive Administrator.

State Revolving Fund Conditions;

22. The District shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines.

23. 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 the financial assistance made available shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB.
24. 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 Unique Entity Identification Number and shall register with System for Award Management (SAM) and maintain current registration at all times during which the Obligations are outstanding.
25. The Obligations shall provide that all financial assistance proceeds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and shall provide that the District will adhere to the approved project schedule.
26. The Obligations and Principal Forgiveness Agreement 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.
27. The Obligations and Principal Forgiveness Agreement must contain a covenant that the District shall abide by the prohibition on certain telecommunications and video surveillance services or equipment as required by 2 CFR § 200.216.

Drinking Water State Revolving Fund Conditions;

28. The District shall pay at closing an origination fee approved by the Executive Administrator of the TWDB pursuant to 31 TAC Chapter 371.
29. Before 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;

30. Upon request by the Executive Administrator, the District shall submit annual audits of contracting parties for the Executive Administrator's review.
31. 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.

32. The Obligations must contain a provision that the pledged contract revenues from the District must 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.
33. Before 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. The 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.

Special Conditions:

34. The District must notify the Executive Administrator in writing, thirty (30) days before 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 before 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.
36. Before closing, the District shall execute a Principal Forgiveness Agreement in a form and substance acceptable to the Executive Administrator.
37. The Principal Forgiveness Agreement must include a provision stating that the District shall return any principal forgiveness funds that are determined to be surplus funds.

APPROVED and ordered of record this 31st day of March, 2026.

TEXAS WATER DEVELOPMENT BOARD

L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Executive Administrator

Review Date:

Project ID:

Water
Wastewater
Other

WATER CONSERVATION REVIEW

Entity:

Other entity:

WATER CONSERVATION PLAN DATE:**Approvable****Adopted**

	Total GPCD	Residential GPCD	Water Loss GPCD
Baseline			
5-year Goal			
10-year Goal			

WATER LOSS AUDIT YEAR:

Validation Required:

Validation Performed:

Service connections:

Length of main lines (miles):

Water Loss GCD:

Retail population:

Connections per mile:

Water Loss GPCD:

ILI:

Real Loss GMD:

WATER LOSS THRESHOLDS

Water Loss Project:

Waiver Requested:

Wholesale Adjusted:

Apparent Loss GCD

Real Loss GCD

Threshold Type:

Reported

Threshold

Reported

Threshold

Does the applicant meet Water Loss Threshold Requirements?

Yes**No****NA****ADDITIONAL INFORMATION****STAFF NOTES AND RECOMMENDATIONS**

DEFINITIONS

Adopted refers to a water conservation plan that meets the minimum requirements of the water conservation plan rules and has been formally approved and adopted by the applicant's governing body.

Apparent losses are paper losses that occur when the water reaches a customer, but the volume is not accurately measured and/or recorded due to unauthorized consumption, customer meter inaccuracy, or billing system and collection data errors.

Approvable refers to a water conservation plan that substantially meets the minimum requirements of the water conservation plan rules but has not yet been adopted by the applicant's governing body.

Best Management Practices are voluntary efficiency measures that save a quantifiable amount of water, either directly or indirectly, and that can be implemented within a specific time frame.

GPCD means gallons per capita per day.

GCD means gallons per connection per day.

GMD means gallons per mile per day.

Infrastructure Leakage Index (ILI) is the current annual real loss divided by the unavoidable annual real loss (theoretical minimum real loss) and only applies to utilities with more than 3,000 connections and a connection density of more than 16 connections per mile. The **ILI** is recommended to be less than 3 if water resources are greatly limited and difficult to develop, between 3 and 5 if water resources are adequate to meet long-term needs but water conservation is included in long-term water planning, and between 5 and 8 if water resources are plentiful, reliable, and easily extracted. The **ILI** is recommended as a benchmarking tool, but until there is increased data validity of the variables used in the calculation, the **ILI** should be viewed with care.

NA means not applicable.

Real losses are the physical losses, largely leakage, from the infrastructure: mains, valves, and storage tank overflows. Real loss constitutes background leakage (unreported and difficult to detect), unreported leakage (leaks that do not surface but could be detected), and reported leakage (leaks that often surface and those that are detected by the utility through leak detection).

Residential GPCD is the amount of residential water use (single and multi-family customer use) divided by the residential population divided by 365.

Total GPCD is the amount of total system input volume divided by the retail population divided by 365.

Total water loss is the sum of the apparent and real water losses.

Water loss is the difference between the input volume and the authorized consumption within a water system. Water Loss consists of real losses and apparent losses.

Water Loss GPCD is the amount of water loss divided by the retail population divided by 365.

Water Loss per Connection per Day Calculated as the water loss volume divided by the number service connections divided by 365. This indicator allows for reliable performance tracking in the water utility's efforts to reduce water losses. It replaces water loss percentage.

Water Loss Thresholds are levels of real and apparent water loss determined by the connection density of a retail public utility, at or above which a utility receiving financial assistance from the Texas Water Development Board must use a portion of that financial assistance to mitigate the utility's system water loss.

Wholesale Adjusted represents that some utilities provide large volumes of wholesale water to other providers that travel through the general distribution system, so a calculation has been established to adjust for that volume of wholesale water. These adjustments are only applicable for use in determining whether a utility meets or exceeds water loss thresholds in review of their application for financial assistance. These adjustments should not be used for performance tracking or benchmarking.



Riverbend Water Resources District Bowie County

