



RED RIVER AUTHORITY OF TEXAS



A G E N D A

REGULAR BOARD OF DIRECTORS MEETING

VIDEO CONFERENCE CALL

PURSUANT TO THE TEXAS OPEN MEETINGS ACT. Id. § 551.127(c), (e).

Wednesday, April 21, 2021 – 9:00 a.m.

Red River Authority of Texas Administrative Offices
3000 Hammon Road
Wichita Falls, Texas

General public wishing to attend the Video Conference Board Meeting can attend remotely via the internet by going to the Zoom Website at the following link:
<https://us02web.zoom.us/j/85240960955?pwd=UFZubFI4Qmh6MFQ5M09yVnBWZ2JGdz09>
and enter both the Meeting ID: 852 4096 0955 and Passcode 845026, when prompted.

Should you wish to address the Board, please wait until acknowledged by the Board President, then state your name.

General Public attending the Board Meeting in person and wishing to address the Board must sign in prior to the Call to Order. General public wishing to speak on a particular agenda item must list the specific item on the sign-up sheet.

General public wishing to speak on a particular agenda item must state the specific item on which they would like to speak, when they are acknowledged by the Board President. General public wishing to address the Board about items not on the agenda will be allowed a three-minute time frame. The Board cannot comment on items not on the agenda or take action other than to place a topic on a future agenda.

If necessary, the Board of Directors may convene into Executive Session under Chapter 551 of the Texas Government Code regarding any item on this agenda. The Board may take final action on any of the executive session matters upon reconvening in open session pursuant to Chapter 551 of the Texas Government Code.

Item One: Call the Meeting to Order, Roll Call, and Invocation

Item Two: Public Comments to the Board of Directors

Comments from the general public to members of the board concerning items that are not on the board agenda. As comments from the general public are not posted agenda items, the Texas Open Meetings Act prohibits RRA Board Members and Staff from discussing or responding to these comments during board meetings.

CONSENT AGENDA

Items on the consent agenda will be considered and acted on in one motion.

- Item Three: Approval of the Minutes of the Regularly Scheduled Board of Directors Meeting Video Conference Call Held on January 20, 2021

REGULAR AGENDA

- Item Four: Receive an Update from Stephanie Spain, with Cremeens, Harris, Cavett & Spain, LLP, on Her Ongoing Assistance in Reconfiguring the Authority's Monthly Accounting Processes, and Take Any Other Action Deemed Necessary
- Item Five: Consider Authorizing the General Manager to Negotiate and Execute an Engagement Agreement with Edgin, Parkman, Fleming & Fleming, PC to Conduct an Audit of the Authority's Records for the Fiscal Year Ending September 30, 2021, and to Perform the "Agreed Upon Procedures" for the Indirect Cost Plan, and Take Any Other Action Deemed Necessary
- Item Six: Consider and Receive an Update on the Strategic Plan from the General Manager, and Take Any Other Action Deemed Necessary
- a. Sunset Review
 - b. Asset Management Plan
 - c. Foster and Encourage Communication with Stakeholders and Customers
 - d. Rate Analysis
 - e. Other Associated Goals
- Item Seven: Conduct an Executive Session of the Board of Directors, Pursuant to Government Code Section 551.072 and 551.074
- a. A Governmental Body May Conduct a Closed Meeting to Deliberate the Purchase, Exchange, Lease, or Value of Real Property, If Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of the Governmental Body in Negotiations with a Third Person
 - b. A Governmental Body May Conduct a Closed Meeting to Conduct an Annual Review of the General Manager
- Item Eight: Consider Taking Any Action Deemed Necessary from the Executive Session, Pursuant to Government Code Section 551.072
- a. Consider the Use of Eminent Domain to Condemn Property by Adopting Resolution #2021-005, Declaring the Public Necessity for Acquiring by Condemnation Certain Described Real Property

Interests for Purposes of the Hinds/Wildcat Water System Project
Located in the City of Vernon, Wilbarger, County, Texas, and
Ordering the Condemnation of Said Property to Proceed

- Item Nine: Consider Taking Any Action Deemed Necessary from the Executive Session Pursuant to Government Code Section 551.074
- Item Ten: Consider Awarding the Bids to Rehabilitate Ground Water Storage Tanks and Pump Station Repairs, as Identified in the Asset Management Plan, and Approved in the Fiscal Year 2020-2021 Budget, and Take Any Other Action Deemed Necessary
- Item Eleven: Consider Authorizing the Bids to Replace the Lake Arrowhead East Water Distribution Line, as Identified in the Asset Management Plan, and Approved in the Fiscal Year 2020-2021 Budget, and Take Any Other Action Deemed Necessary
- Item Twelve: Consider Approval of Directors' Expenses, and Take Any Other Action Deemed Necessary
- Item Thirteen: Other Business as the Board May Deem Appropriate:
- a. Board Committee Reports
 - b. General Manager's Report
 - 1. Chloride Control Program, Solar Ponds
 - 2. Navigation of the Red River
 - 3. Regional Flood Planning
 - c. Assistant General Manager's Report
 - 1. Environmental Services Division
 - 2. Utility Division
 - 3. Capital Improvement Update
 - d. Executive Assistant's Report
 - 1. Administration
 - 2. Regional Water Planning Group - Area B
 - e. Controller's Report
 - 1. Finance
- Item Fourteen: Comments from the Directors and/or Suggestions for Future Agenda Items
- Item Fifteen: Adjourn Meeting



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



Item 1

Call the Meeting to Order, Roll, and Invocation

DIRECTOR NAME	IN PERSON ATTENDANCE CONFIRMED	VIDEO/AUDIO ATTENDANCE CONFIRMED
Todd Boykin, President		
Jerry Bob Daniel, Vice President		
Mike Sandefur, Secretary/Treasurer		
Stephen Thornhill, Assistant Secretary		
Mary Lou Bradley, Director		
Jerry Dan Davis, Director		
Wilson Scaling, Director		
Zack Smith, Director		
Joe Ward, Director		



Item 2

Public Comments to the Board of Directors

[illegible]

RED RIVER AUTHORITY OF TEXAS
Board of Directors' Meeting
January 20, 2021

The Red River Authority of Texas Board of Directors conducted a regularly scheduled meeting on Wednesday, January 20, 2021 at 9:00 a.m. via a Zoom Video Conference. Due to Covid-19 Pandemic restrictions, the Red River Authority of Texas Administrative Offices were closed to the public, but public participation was available via remote attendance. Instructions on accessing the Zoom Video Conference were posted, as required. The meeting originated at the Authority's office located at 3000 Hammon Road, Wichita Falls, Texas. The following members and guests were present:

Directors: Mr. Todd W. Boykin, President, Amarillo
Mr. Michael Sandefur, Secretary-Treasurer, Texarkana
Mr. Stephen A. Thornhill, Assistant Secretary, Denison
Ms. Mary Lou Bradley, Memphis
Mr. Jerry Dan Davis, Wellington
Mr. Zackary K. Smith, Canyon
Mr. Joe Ward, Telephone

Staff: Mr. Randall W. Whiteman, General Manager
Ms. Danna P. Bales, Executive Assistant
Mr. Fabian A. Heaney, Assistant General Manager
Ms. Lana Hefton, Controller
Mr. Glen K. Hite, IT Systems Administrator

Guests: Mr. David Parkman, Edgin, Parkman, Fleming and Fleming, P.C., Wichita Falls
Mr. George Nitschke, President, Good Earth Mechanics, New Ipswich, NH
Mr. Dennis Duke, VP Field Operations, Good Earth Mechanics, New Ipswich, NH
Mr. Simon Vo, Chief Financial Officer, AMA Energy
Mr. Richard Brontoli, Director, Red River Valley Association
Mr. Ken Noble, Customer, Lake Arrowhead
Mr. Clark Kimball, McCall, Parkhurst and Horton

Item One: Call the Meeting to Order, Roll Call, and Invocation

Mr. Boykin called the meeting to order at 9:01 a.m. and conducted the roll call. He noted that Mr. Jerry Bob Daniel and Mr. George Wilson Scaling, II were absent, but a quorum was present. He then provided the invocation.

Item Two: Public Comments to the Board of Directors

There were no public comments to the Board of Directors.

Item Three:**CONSENT AGENDA**

Items on the consent agenda will be considered and acted on in one motion.

- a. **Approval of the Minutes of the Regularly Scheduled Board of Directors Meeting Video Conference Call Held on September 21, 2020,**
- b. **Read and Approve the Minutes of the Executive and Investment Committees Meeting Held on Tuesday, January 19, 2021.**

With no discussion, Mr. Ward made a motion to approve the items on the consent agenda. His motion was seconded by Mr. Davis, which passed unanimously with a vote of **7 For** and **0 Against**.

REGULAR AGENDA**Item Four: Consider Approval of the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2020 and 2019, Presented by the Authority's Auditor, and as Recommended by the Executive Committee for Audit Evaluation and Execution of the State Filing Affidavit, and Take Any Other Action Deemed Necessary.**

Mr. Parkman expressed his appreciation for allowing his firm to perform the audit this year. He then provided an overview of the *Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2020 and 2019 (CAFR)*.

He then referred to the Independent Auditor's Report on Financial Statements, and explained that his firm is providing a clean or unmodified opinion. Providing an overview of the Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position for the years ended September 30, 2020 and 2019, Mr. Parkman stated that the Authority ended the fiscal year with a total net position of \$19,260,409.

Item Four: Consider Approval of the *Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2020 and 2019*, Presented by the Authority's Auditor, and as Recommended by the Executive Committee for Audit Evaluation and Execution of the State Filing Affidavit, and Take Any Other Action Deemed Necessary.
(continued)

Referring to the Independent Auditor's Report on page 105 of the *CAFR*, Mr. Parkman stated that it is a required report on internal control over financial reporting and on compliance and other matters, based on an audit of the financial statements, performed in accordance with Government Auditing Standards. He explained that there was a finding this year, which was primarily related to timing differences in both assets and liabilities, where some transactions were not recorded in the proper accounting period.

He then referred to a stand-alone letter called AU-C 260, which details Summaries of Uncorrected and Corrected Misstatements. Under the Summary of Corrected Misstatements, he pointed out that the unrecorded construction cost of \$231,451 resulted in the required reporting of misstatements due to the aggregate amount.

Referring to the Management Letter, Mr. Parkman discussed the prior and current year comments. Regarding the prior year comment, he stated that last year management provided a final trial balance that did not include necessary closing entries, which required material audit adjustments. He added that the current year final trial balance also required material audit adjustments.

Mr. Parkman then provided an overview of the current year comments. He stated that the current year comments included the timeliness of completing bank reconciliations, duplicated bank transfers, accounts payable issues regarding the delay in submitting invoices to the accounting department for work performed on the Regional Water Planning Group project, issues with the Maintenance Division's inventory balance, journal entries being lumped together, which make them hard to follow throughout the general ledger, and general ledger cash accounts not being set up so that each bank account can be reconciled properly.

Mr. Boykin asked if there were any questions for Mr. Parkman. With no questions, Mr. Sandefur stated that the report was reviewed in detail during the Executive Meeting, and that the numbers were good. He then made a motion to approve the *Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2020 and 2019*, as recommended by the Executive Committee for Audit Evaluation and Execution of the State Filing Affidavit. Mr. Thornhill seconded his motion, which passed unanimously with a vote of 7 **For** and 0 **Against**.

Item Five Consider Approval of the Investment Activity Report for the Period Ended September 30, 2020, and Resolution #2021-001 Adopting the Authority's Investment Policy, Investment Strategy, and the Investment Officers for the Ensuing Calendar Year, as Recommended by the Executive and Investment Committees and Take Any Other Action Deemed Necessary.

Referring to Item Five in the Board Book, Ms. Hefton provided an overview of the Portfolio Summary Report and the Investment Activity Report for the Period Ended September 30, 2020. She stated that there were no changes to the Investment Policy or Investment Strategy.

Following discussion on collateral requirements and interest rates, Mr. Sandefur made a motion to approve the Investment Activity Report for the Period Ended September 30, 2020, and Resolution #2021-001, adopting the Authority's Investment Policy, Investment Strategy, and the Investment Officers for the ensuing calendar year, as recommended by the Executive and Investment Committees. His motion was seconded by Mr. Thornhill, which passed unanimously with a vote of **7 For** and **0 Against**.

Item Six: Consider Approval of Resolution #2021-002 Adopting the Indirect Cost Accounting Plan for Calendar Year 2021, as Recommended by the Executive Committee and Take Any Other Action Deemed Necessary.

Mr. Parkman provided an overview of what the Indirect Cost Accounting Plan is utilized for, stating that the Authority mainly uses the rates to charge expenses against outside contracts, particularly the Clean Rivers Program and the Regional Water Planning Group – Area B contracts.

He then explained that the Texas Commission on Environmental Quality requires that a list of eight agreed upon procedures be performed on the Authority's Annual Indirect Cost Accounting Plan to ensure correct accounting of charges. He stated that this year a few discrepancies were discovered. He then provided detail of those discrepancies. Mr. Parkman also reminded the Board that it is not an audit, but it tests the Authority's procedures in accounting and calculations to ensure the rates are accurate.

Following minor discussion on the Indirect Cost Accounting Plan rates and calculations, Mr. Davis made a motion to approve Resolution #2021-002, adopting the Indirect Cost Accounting Plan for calendar year 2021, as recommended by the Executive Committee. His motion was seconded by Mr. Sandefur, and the motion passed unanimously with a vote of **7 For** and **0 Against**.

Item Seven: Consider Accepting the Nomination as the Administrative Agency for the Sixth Cycle of Regional Water Planning for the Region B Regional Water Planning Group and Take Any Other Action Deemed Necessary.

Mr. Whiteman explained that the Authority was nominated by the Region B Regional Water Planning Group. He stated that this during this sixth cycle, the Texas Water Development Board is allowing some administrative costs for the political sub. He added that the group also elected him to chair the Region B Group. At Mr. Boykin's request, Mr. Whiteman explained the benefits to the Authority for being the administrative agency. With no further questions, Mr. Sandefur made a motion to accept the nomination by the Region B Regional Water Planning Group as the administrative agency for the sixth cycle of regional water planning for Region B. His motion was seconded by Mr. Ward, and the motion passed unanimously with a vote of **7 For** and **0 Against**.

Item Eight: Consider Authorizing the General Manager to Submit an Application to the Texas Water Development Board for the Sixth Cycle of Regional Water Planning, for the Region B Regional Water Planning Group and Take Any Other Action Deemed Necessary.

With no discussion, Mr. Sandefur made a motion to authorize the General Manager to Submit an application to the Texas Water Development Board for the sixth cycle of regional water planning for the Region B Regional Water Planning Group. His motion was seconded by Mr. Ward, and the motion passed unanimously with a vote of **7 For** and **0 Against**.

Item Nine: Receive a Presentation from George Nitschke with Good Earth Mechanics, LLC (GEM) on a Proposed Truscott Brine Lake Salinity Gradient Solar Pond Project and Consider Authorizing the General Manager to Proceed with the Next Steps with GEM and the U.S. Army Corps of Engineers - Tulsa District and Take Any Other Action Deemed Necessary.

Mr. Whiteman explained that since 2011, the Authority has worked with Good Earth Mechanics (GEM) and the U.S. Army Corps of Engineers (USACE) in support of the proposed Salinity Gradient Solar Pond Project at Truscott Brine Reservoir. He stated that the hold up has been finding a buyer for the electricity. There were multiple scenarios that were tried, but they fell through, including one to sell directly to Sheppard Air Force Base. Mr. Whiteman added that at this time, GEM has private funding to fund the initial pilot program and they believe that once

Item Nine: Receive a Presentation from George Nitschke with Good Earth Mechanics, LLC (GEM) on a Proposed Truscott Brine Lake Salinity Gradient Solar Pond Project and Consider Authorizing the General Manager to Proceed with the Next Steps with GEM and the U.S. Army Corps of Engineers - Tulsa District and Take Any Other Action Deemed Necessary. (continued)

they can prove it is a viable source of commercial electric generation, they can promote it and get investors or sell bonds.

Mr. Whiteman explained that GEM needs the Authority's participation since they cannot contract directly with the USACE. The Authority will be the owner of the waste water that is produced in the generation process and could be utilized in the Authority's adjacent water system.

Mr. Whiteman then introduced Mr. George Nitschke, President of GEM, who then provided the Board with an in-depth presentation on the proposed project.

Mr. George Nitschke with Good Earth Mechanics provided a presentation on the proposed Truscott Brine Lake Salinity Gradient Solar Pond Project and explained how the technology works.

Following the presentation, Ms. Bradley asked if GEM could provide some type of retainer. Mr. Nitschke said that in 2016 a letter of credit was used. Mr. Simon Vo, Chief Financial Officer with AMA Energy, added that they could provide a retainer to hire counsel to ensure the Authority is not responsible with any out of pocket expenditures regarding legal and initial permit expenses.

Mr. Whiteman stated that the Regulatory and Governmental Committee could meet and discuss the project. Mr. Boykin agreed and stated that it needed to be brought back before the Board prior to any contractual agreements. Mr. Nitschke thanked the Board for their time, and was happy to answer any further questions.

Following additional minor discussion on the project, Mr. Thornhill made a motion to authorize the General Manager to proceed with exploratory steps with Good Earth Mechanics and the U.S. Army Corps of Engineers - Tulsa District on the proposed Truscott Brine Lake Salinity Gradient Solar Pond Project. His motion was seconded by Mr. Ward, and the motion passed unanimously with a vote of **7 For** and **0 Against**.

Item Ten: Consider Authorizing the Advertisement of Bids to Rehabilitate Ground Water Storage Tanks and Pump Stations Repairs, as Specified in the Fiscal Year 2020-2021 Budget and Take Any Other Action Deemed Necessary.

Referring to the Bid Schedule located in the Board Packet, Mr. Heaney reminded that the rehabilitation of pump stations and tanks renovations were included in the budget, capital improvement plan, Asset Management Plan, and the Fiscal Year 2020-2021 Budget. He added that this authorization would allow the advertisement to receive bids on the projects.

Following minor discussion on the different projects, Mr. Davis made a motion to authorize the advertisement of bids to rehabilitate ground water storage tanks and pump stations repairs, as specified in the Fiscal Year 2020-2021 Budget. His motion was seconded by Ms. Bradley, and the motion passed unanimously with a vote of **7 For** and **0 Against**.

Item Eleven: Consider Approval of Resolution #2021-003 Endorsing, Encouraging, and Supporting the State and Federal Permitting Actions Required for the Proposed Lake Ringgold Reservoir Project to be Located in Clay County, Texas, and Requesting the City of Wichita Falls to Undertake the Permitting and Future Construction of Lake Ringgold and Take Any Other Action Deemed Necessary.

Mr. Whiteman stated that the City of Wichita Falls is in the process of permitting a new reservoir, currently known as Lake Ringgold, to be located just northeast of Henrietta, Texas. He explained that the City believes a new reservoir will be necessary to continue to provide for their citizen's future water needs and the needs of the many water systems they supply outside of their own. He stated that the City is requesting the Authority's endorsement, both as a customer, and as a member of the Region B Water Planning Group. Discussion was then held regarding the Resolution language where it discusses Lake Ringgold as being a "unique" reservoir site meaning and that it meets the future needs of the City's retail and wholesale customers. Ms. Bradley stated that she did not feel comfortable supporting it, due to the fact that she did not know enough about the project. Mr. Boykin stated that he was not in favor of any type of condemnation process, but understood public needs. He added that since Lake Ringgold has been listed as a water management strategy in Region B's Water Plan for several planning cycles, he felt more content with its construction.

Following additional minor discussion, Mr. Sandefur made a motion to approve Resolution #2021-003 endorsing, encouraging, and supporting the state and federal permitting actions required for the proposed Lake Ringgold Reservoir Project to be located in Clay County, Texas, and requesting the City of Wichita Falls to undertake the permitting and future construction of Lake Ringgold. His motion was seconded by Mr. Thornhill with a vote of **6 For**, **0 Against** and **1 Abstention**.

Item Twelve: Consider Approval of Resolution #2021-004 Authorizing Greenbelt Municipal Industrial Water Authority's Refunding of Revenue Bonds and Take Any Other Action Deemed Necessary

Mr. Whiteman explained that the Greenbelt Municipal and Industrial Water Authority (GMIWA) is attempting to refund two issues of bonds in order to reduce their interest rate and remove a pending balloon payment. He added that the new bond will have lower interest and sinking payments, which will lower the Authority's bond payments that are calculated in water rates. He explained further that in order to issue the bonds, existing customer contracts must be amended to reflect the new bond payment assessments.

Following discussion on the net gross savings, Mr. Davis made a motion to approve Resolution #2021-004 authorizing Greenbelt Municipal Industrial Water Authority's Refunding of Revenue Bonds. His motion was seconded by Mr. Thornhill, and the motion passed unanimously with a vote of **7 For** and **0 Against**.

Item Thirteen: Conduct an Executive Session of the Board of Directors, Pursuant to Government Code Section 551.074:

- a. Conduct Annual Review of the General Manager and Receive Recommendations from the Executive Committee.**
- b. Discuss the Controller Position, Including Assignments, and Recommendation for Any Changes.**

The meeting went into Executive Session at 11:29 a.m. and came out at 12:32 p.m.

Item Fourteen: Consider Taking Any Action Deemed Necessary from the Executive Session.

No action was taken from the Executive Session.

Item Fifteen: Consider Approval of Directors' Expenses, and Take Any Other Action Deemed Necessary.

With no discussion, Mr. Sandefur made a motion to approve the director's expenses, as presented. His motion was seconded by Mr. Thornhill, and the motion passed unanimously with a vote of **7 For** and **0 Against**.

Item Sixteen: Other Business as the Board May Deem Appropriate:**a. Board Committee Reports**

Mr. Boykin stated that the Regulation/Governmental Committee has been attempting to contact representatives, in order to build rapport. He also explained that the committee's focus this upcoming year will be the rate review.

Mr. Sandefur stated that the Finance Committee has not met in a while, but explained that they have been tasked with providing the financial portion of the Asset Management Plan, as well as the upcoming rate review.

Mr. Heaney provided an update for the Asset Management/Customer Service Committee, and stated that they met on January 11, 2021 and discussed the preparation of a Customer Service Plan, and asset tracking.

Item Sixteen: Other Business as the Board May Deem Appropriate:**b. General Manager's Report****1. Capital Improvement Plan Update**

Mr. Whiteman stated that since the capital improvements were discussed during the Executive Session, he would not go over them again at this time.

2. Update on Navigation of the Red River

Mr. Whiteman provided the Board with an update on the Navigation of the Red River and stated that the U.S. Army Corps of Engineers will initiate the Planning Assistance to States (PAS) study once the cost is shared with 50% non-Federal funds.

He also explained that Mr. John Stone had recently proposed another navigation bill and submitted it to State Representative Gary VanDeaver. Mr. Whiteman then explained that he had discussed it with Representative VanDeaver, and it will not be brought before the legislature during this session

3. Update on Sunset Review

There was no updated information on the Sunset Review to provide to the Board.

c. Assistant General Manager's Report**1. Update on the Environmental Services Division**

Mr. Heaney explained that the Environmental Services Division was able to finish the fiscal year in the black. He added that revenue has rebounded, and is getting closer to pre-pandemic levels. Additionally, Mr. Heaney stated that the budgeted BOD analyzer was returned to the vendor for non-installation. He also explained that a TCEQ NELAP audit is scheduled for the week of March 15th. In regards to the Clean Rivers Program, he stated that surface water quality monitoring has returned to normal, and the Fiscal Year 2022-23 Work Plan has been submitted, as required. He also explained that a CRP audit was recently performed and he is awaiting the report on any audit findings.

2. Update on the Utility Division and Maintenance Division

Mr. Heaney stated that Mr. Ron Mullins was promoted from Utility Supervisor to the newly formed position of Utility Regulatory Compliance Officer, and Mr. Jaison Caldwell was promoted from Regional Manager to Utility Supervisor, in order to learn from Mr. Mullins as part of succession planning. He added that current vacancies include the Regional Manager position, a District Manager in District 15, and a Maintenance Technician in District 19.

Mr. Heaney also explained that after review of historical water loss, the Utility Division has improved each fiscal year since Fiscal Year 2018. He added that the search for unaccounted water will continue, and stated that the five-year Water Conservation Plan goal is 26%.

Mr. Heaney then stated that the Automated Meter Infrastructure (AMI) installation is completed for the Howardwick, Samnorwood and Guthrie-Dumont Water Systems. He added that the analog meters have been inspected and recycled, as appropriate.

Lastly, Mr. Heaney stated that an application for a grant under the Bureau of Reclamation's WaterSmart program has been submitted, but no award determinations have been made. He added that he is in hopes of receiving the grant, which will be \$500,000 over 2 years (50% is matching). Mr. Heaney explained that this would complete the AMI meter installation for all of the Authority's water systems, if awarded (approximately 3,350 meters).

d. Financial Report by the Controller

Ms. Hefton presented the October, November, and December 2020 Portfolio Summary Reports to the Board. She also provided an explanation on how the cash sweeps program work.

Item Seventeen: Comments from the Directors and/or Suggestions for Future Agenda Items

Mr. Boykin stated that he hoped in-person meetings could begin in the near future.

Item Eighteen: Adjourn Meeting

Mr. Davis made a motion to adjourn the meeting at 1:05 p.m. Mr. Sandefur seconded his motion, and the motion passed unanimously with a vote of **7 For** and **0 Against**.

Todd W. Boykin, President

Michael R. Sandefur, Secretary-Treasurer



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



ITEM 4

Receive an Update from Stephanie Spain, with Cremeens, Harris, Cavett & Spain, LLP, on Her Ongoing Assistance in Reconfiguring the Authority's Monthly Accounting Processes, and Take Any Other Action Deemed Necessary

Ms. Spain has been working with Lana and her department since February and will report on their activities.

Sample motion:

None

Second _____

Vote For _____ Against _____.

RED RIVER AUTHORITY OF TEXAS
STATEMENT OF REVENUES AND EXPENSES

For 5 months: Ending February 28, 2021

	General Division Year-To-Date	Communications Year-To-Date	Utilities Year-To-Date	Environmental Year-To-Date	Total
Operating revenues:					
Charges for materials and services	\$ -	\$ 33,415	\$ -	\$ -	\$ 33,415
Water and sewer sales	-	-	2,132,666	-	2,132,666
Contract Income	-	-	-	108,682	108,682
Lab Fees	-	-	-	194,331	194,331
Management fees	2,625	-	-	-	2,625
Other income	15,298	-	249,382	150	264,830
	<u>17,923</u>	<u>33,415</u>	<u>2,382,048</u>	<u>303,164</u>	<u>2,736,549</u>
Operating expenses:					
Water purchases	-	-	439,957	-	439,957
Personnel services	307,963	-	539,004	151,736	998,703
Administrative costs	34,142	-	45,222	5,896	85,260
Utilities, supplies and maintenance	58,936	2,964	271,155	126,983	460,038
Insurance	81,310	-	-	-	81,310
Automobile and travel	2,966	-	70,097	8,228	81,292
Professional and directors fees	101,431	-	-	-	101,431
Research expense/Water Quality Studies	-	-	-	-	-
Bad Debt	-	-	16,671	-	16,671
	<u>586,748</u>	<u>2,964</u>	<u>1,382,106</u>	<u>292,844</u>	<u>2,264,662</u>
Operating income (loss) before depreciation	(568,825)	30,450	999,942	10,320	471,887
Depreciation	<u>(23,168)</u>	<u>(2,500)</u>	<u>(279,967)</u>	<u>(10,455)</u>	<u>(316,090)</u>
Operating income (loss)	<u>(591,993)</u>	<u>27,950</u>	<u>719,975</u>	<u>(135)</u>	<u>155,798</u>
Non-operating revenues (expenses):					
Interest income	8,452	1,091	33,699	-	43,243
Gain on sale	-	-	-	-	-
Interest expense	-	-	(217,866)	-	(217,866)
	<u>8,452</u>	<u>1,091</u>	<u>(184,167)</u>	<u>-</u>	<u>(174,623)</u>
Income (loss) before operating transfers	(583,541)	29,041	535,809	(135)	(18,826)
Allocated Overhead:	583,541	(7,172)	(511,296)	(65,073)	-
Operating transfers in	-	-	-	-	-
Change in net assets	<u>\$ -</u>	<u>\$ 21,869</u>	<u>\$ 24,513</u>	<u>\$ (65,208)</u>	<u>\$ (18,826)</u>



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



ITEM 5

Consider Authorizing the General Manager to Negotiate and Execute an Engagement Agreement with Edgin, Parkman, Fleming & Fleming, PC to Conduct an Audit of the Authority's Records for the Fiscal Year Ending September 30, 2021, and to Perform the "Agreed Upon Procedures" for the Indirect Cost Plan, and Take Any Other Action Deemed Necessary

The Authority procured Auditing Services last year and the Board approved the ranked list of the respondents to be considered for the next 5 years. The firm of Edgin, Parkman, Fleming & Fleming, PC ranked highest on the list.

I move we Authorize the General Manager to Negotiate and Execute an Engagement Agreement with Edgin, Parkman, Fleming & Fleming, PC to Conduct an Audit of the Authority's Records for the Fiscal Year Ending September 30, 2021, and to Perform the "Agreed Upon Procedures" for the Indirect Cost Plan:

Second _____

Vote For _____ Against _____.



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR • P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

April 13, 2021

Board of Directors and General Manager
Red River Authority of Texas
P.O. Box 240
Wichita Falls, Texas 76307

Members of the Board and General Manager:

We are pleased to confirm our understanding of the services we are to provide Red River Authority of Texas (Authority) for the year ended September 30, 2021. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Red River Authority of Texas as of and for the year ended September 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Texas County and District Retirement System – Pension and OPEB Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Combining and Individual fund financial statements

The following additional information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will not provide an opinion or any assurance:

1. Introductory Section
2. Statistical Section

Page Two

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Red River Authority of Texas' financial statements. Our report will be addressed to the Board of Directors of the Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Page Three

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also update the Authority's depreciation schedule from the information provided by you and assist in preparing the Authority's financial statements and related notes in conformity with U.S. generally accepted accounting principles. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Page Four

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Edgin, Parkman, Fleming & Fleming, PC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a regulatory agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such

request. If requested, access to such audit documentation will be provided under the supervision of Edgin, Parkman, Fleming & Fleming, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a regulatory agency or its designee. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin interim work in early September and year end fieldwork in late November with the report being issued in time for the January 2022 board meeting. The exact dates for the fieldwork will be coordinated with you at a later date. Mr. David Parkman, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Bills for services are due when rendered and interim billings may be submitted as work progresses and expenses are incurred. We estimate that our fee for this engagement will be \$32,500, exclusive of report preparation services. An additional fee of \$2,800 will be added if report preparation services are required. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

If any dispute, controversy, or claim arises, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the Rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties.

If any dispute, controversy, or claim cannot be resolved by mediation, then the dispute, controversy, or claim will be settled by arbitration in accordance with the Rules of the American Arbitration Association (AAA) for the Resolution of Accounting Firm Disputes. No pre-hearing discovery will be permitted unless specifically authorized by the arbitration panel. The arbitration hearings will take place in the Authority closest to the place where this agreement was performed in which the AAA maintains an office, unless the parties agree to a different locale.

The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. All reasonable costs of both parties, as determined by the arbitrators, including (1) the fees and expenses of the AAA and the arbitrators and (2) the costs, including reasonable attorneys' fees, necessary to confirm the award in court, will be borne entirely by the non-prevailing party (to be designated by the arbitration panel in the award) and may not be allocated between the parties by the arbitration panel.

Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

Board of Directors and General Manager
Red River Authority of Texas
April 13, 2021

Page Six

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2018 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Red River Authority of Texas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Red River Authority of Texas.

Governance Signature: _____

Title: Board President

Date: _____

Management Signature: _____

Title: General Manager

Date: _____

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

Report on the Firm's System of Quality Control

May 23, 2019

To the Firm,
Edgin, Parkman, Fleming & Fleming, PC
and the Texas Society of CPA's Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Edgin, Parkman, Fleming & Fleming, PC (the firm) in effect for the year ended December 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Edgin, Parkman, Fleming & Fleming, PC in effect for the year ended December 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Edgin, Parkman, Fleming & Fleming, PC has received a peer review rating of *pass*.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR • P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

April 13, 2021

Mr. Randall Whiteman, General Manager
Red River Authority of Texas
P.O. Box 240
Wichita Falls, Texas 76307

RECEIVED
APR 15 2021
BY: 

Dear Mr. Whiteman:

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the Red River Authority of Texas (Authority) related to the indirect cost rate plan requested by the Texas Commission on Environmental Quality (TCEQ).

We currently expect to apply the agreed-upon procedures listed in the attached schedule to indirect cost rate plan developed by the Authority from their accounting records and audited annual financial statements as of and for the year ended September 30, 2021; however, the engagement will not be completed until the TCEQ in conjunction with the Authority agree that the procedures are sufficient for their purposes. This engagement is solely to assist TCEQ and the Authority in reviewing the indirect cost rate plan and its overall compliance with the Uniform Grant Management Standards (UGMS). Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination, we will not express an opinion on Red River Authority of Texas' indirect cost rate plan or its compliance with UGMS. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of TCEQ and the Authority, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the indirect cost rate plan that come to our attention. In addition, if, in connection with this engagement, matters come to our attention, we will disclose those matters in our report.

Mr. Randall Whiteman
General Manger
Red River Authority of Texas
April 13, 2021

Page Two

The Authority is responsible for the accuracy of the indirect cost rate plan and for compliance with UGMS; and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate. The Authority is also responsible for making all management decisions and performing all management functions.

Our procedures for this engagement will be performed at the same time as the year end audit and, unless unforeseeable problems are encountered, the engagement should be completed by the date of the January 2022 Board Meeting. At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for the accuracy of the financial information and compliance with UGMS.

We estimate that our fees for these services will be \$3,200, exclusive of any report presentation. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

If any dispute, controversy, or claim arises, either party may, upon written notice to the other party, request that the matter be mediated. Such mediation will be conducted by a mediator appointed by and pursuant to the Rules of the American Arbitration Association or such other neutral facilitator acceptable to both parties. Both parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute or controversy.

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties.

The mediation proceedings will conclude within sixty days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties.

If any dispute, controversy, or claim cannot be resolved by mediation, then the dispute, controversy, or claim will be settled by arbitration in accordance with the Rules of the American Arbitration Association (AAA) for the Resolution of Accounting Firm Disputes. No pre-hearing discovery will be permitted unless specifically authorized by the arbitration panel. The arbitration hearings will take place in the city closest to the place where this agreement was performed in which the AAA maintains an office, unless the parties agree to a different locale.

The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. All reasonable costs of both parties, as determined by the arbitrators, including (1) the fees and expenses of the AAA and the arbitrators and (2) the costs, including reasonable attorneys' fees, necessary to confirm the award in court, will be borne entirely by the non-prevailing party (to be designated by the arbitration panel in the award) and may not be allocated between the parties by the arbitration panel.

Mr. Randall Whiteman
General Manger
Red River Authority of Texas
April 13, 2021

Page Three

Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of procedures.

Very truly yours,

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Red River Authority of Texas.

By: _____ Date _____
Red River Authority of Texas

RED RIVER AUTHORITY OF TEXAS

AGREED-UPON PROCEDURES SEPTEMBER 30, 2021

Procedure 1 – Obtain the September 30, 2021 indirect cost rate plan (plan) from the Red River Authority of Texas (Authority) and recalculate the mathematical formula used to derive the indicated indirect cost rate and compare to the rate contained in the plan.

Procedure 2 – Determine and report on where indirect costs indicated in the plan are charged or accounted for within the general ledger. Determine that the costs are allocable through a simplified allocation procedure as outlined in UGMS Part II, Attachment E, Section C.

Procedure 3 – Using the plan, identify the categories of costs, or descriptions that derive the indirect cost pool. For each line item of expense from the plan, trace the indicated cost into the accounting records. Verify that the costs indicated on the plan are supported by the accounting records as to both amount and classification. Recalculate the total of these costs and compare to the total pool cost represented on the indirect cost schedule.

Procedure 4 – Using the cost categories or descriptions from procedure 3, determine if each cost item category meets the basic factors of allowability, including necessary and reasonable, and that they meet the basic guidelines contained in Section II, Attachment A, Section C of UGMS.

Procedure 5 – For each broad cost category, obtain the detail to individual transactions and verify totals noted in procedure 3 above. Select one individual transaction from each broad category and review the supporting documentation to determine that the classification of the expense is consistent with the description of the indicated broad category.

Procedure 6 – Using the same items selected in procedure 5, test for the attributes in Section II, Attachment A, Section C, Item 1 of UGMS, specifically determining if the individual expense meet the factors affecting allowability including necessary and reasonable, allocable, authorized, given consistent treatment between federal, state, and other activities of the government, accorded consistent treatment, in accordance with GAAP, not also included as direct cost of another program, and adequately documented, as applicable and, a reasonable cost.

Procedure 7 – Determine whether the allowable base is either total direct cost (excluding capital expenditures and other distorting items) or direct salaries and wages, or another base which results in an equitable distribution. Agree applicable base to associated costs noted in the September 30, 2021 audited financial statements.

Procedure 8 – Inquire of management of other state and federal grants administered by Authority during the year ended September 30, 2021. Review reimbursement requests or other financial reports from each program to verify that the same indirect cost rate used for TCEQ grants during the year ended September 30, 2021 was also used for all other identified state and federal grant awards. For this procedure, the indirect cost rate will be the one derived from a previous reporting period.



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



ITEM 6

**Consider and Receive an Update on the Strategic Plan from the General Manager,
and Take Any Other Action Deemed Necessary.**

President Boykin asked to receive updates on the following goals and the associated goals.

a. Sunset Review

As we have updated earlier. The Authority has completed all reporting and has made all the procedural changes requested by Sunset. In Sunset's final report to the legislature on the entities that went through Sunset with us, we were the only River Authority that had successfully completed all mandates on time.

House Bill 3530 (Author: Moody), which includes the codification for RRA, was filed on 03/10/21. On 04/14/21 it was sent to the Local and Consent Calendars Committee. HB 3530 can be found and followed at the following link:
<https://capitol.texas.gov/BillLookup/BillStages.aspx?LegSess=87R&Bill=HB3530>

b. Asset Management Plan

Implemented April 2020 and in use.

c. Foster and Encourage Communication with Stakeholders and Customers

Transparency

Website

Mail outs

Division Manager Training

New Employees – FY 2021

d. Rate Analysis

Trends

Challenges

Timing

e. Other Associated Goals

Update on Associated Goals Activities

Sample motion:

None

Second _____

Vote For _____ Against _____.



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



ITEM 7

**Conduct an Executive Session of the Board of Directors,
Pursuant to Government Code Section 551.072 and 551.074**

- a. A Governmental Body May Conduct a Closed Meeting to Deliberate the Purchase, Exchange, Lease, or Value of Real Property, If Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of the Governmental Body in Negotiations with a Third Person
- b. A Governmental Body May Conduct a Closed Meeting to Conduct an Annual Review of the General Manager



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



ITEM 8

**Consider Taking Any Action Deemed Necessary from the Executive Session,
Pursuant to Government Code Section 551.072**

- a. Consider the Use of Eminent Domain to Condemn Property by Adopting Resolution #2021-005, Declaring the Public Necessity for Acquiring by Condemnation Certain Described Real Property Interests for Purposes of the Hinds/Wildcat Water System Project Located in the City of Vernon, Wilbarger, County, Texas, and Ordering the Condemnation of Said Property to Proceed



RED RIVER AUTHORITY OF TEXAS



RESOLUTION

No. 2021-005

A RESOLUTION DECLARING THE PUBLIC NECESSITY FOR ACQUIRING BY CONDEMNATION CERTAIN DESCRIBED REAL PROPERTY INTERESTS FOR PURPOSES OF THE HINDS/WILDCAT WATER SYSTEM PROJECT, AND ORDERING THE CONDEMNATION OF SAID PROPERTY TO PROCEED

THE STATE OF TEXAS §
 §
COUNTY OF WICHITA §

WHEREAS, the Red River Authority of Texas (the “Authority”) has heretofore determined that in order to promote public health, safety, and welfare, public necessity requires acquisition of the necessary permanent easement and right-of-way for Hinds/Wildcat Water System Project (the “Project”); and,

WHEREAS, an independent professional appraisal report of the subject property required for the Project has been submitted to the Authority, and the General Manager has accordingly established and approved a certain amount determined to be just compensation for that parcel; and,

WHEREAS, an official written offer based upon the amount determined by the Authority to be just compensation has been transmitted to the owners of the property described herein, and the owners have been unable to agree with the Authority on the fair cash market value of the real property interest so sought by the Authority, with further negotiations at this point appearing futile; and

WHEREAS, the Authority has complied with all prerequisites of the laws of the State of Texas, and condemnation has become necessary in order to acquire the permanent easement and right-of-way, as described below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RED RIVER AUTHORITY OF TEXAS THAT:

Section 1.

1. The official offer by the Authority for the real property interests described below, in the amount of one-thousand two-hundred and fifteen dollars and zero cents (\$1,215.00) DOLLARS, is hereby confirmed.

2. It is hereby determined that the Authority has in fact transmitted a bona fide offer to the property owners, in accordance with the laws of the State of Texas, for the property described below, and the owners of said property and the Authority have been unable to agree and cannot agree on the value of the real property interests sought or the damages to be paid.

3. That in order to promote the public health, safety, and welfare, public necessity requires the acquisition of a permanent utility easement and right-of-way for the transportation of water and other facilities and uses incidental thereto or in connection therewith for the Authority's water conveyance system, including but not limited to, construction, reconstruction, operation, maintenance, inspection and repair of water transmission lines and other facilities or improvements, in the land described in **Attachment A**; and that public necessity and convenience require the condemnation of this property in order to acquire it for such purpose.

4. The Authority legal representatives are hereby authorized and directed to institute proceedings in eminent domain against Tyson Refrigerated Processed Meats, Inc., owners of the property described herein, and against all other owners, lienholders, and other holders of interest in the property, in order to acquire a permanent utility easement and right-of-way in, on, upon, along, under, over and across, expressly including all impervious cover credits, open space credits, development credits, and natural area credits attributable to such tract, if any, the following described property laying and being situated wholly within Wilbarger County, Texas, as described in **Attachment A**.

5. That all previous acts and proceedings done or initiated by the Authority's agents, representatives, or employees for establishment of the Project, including the negotiation for and/or acquisition of any necessary property rights for this easement are hereby authorized, ratified, approved, confirmed, and validated. This resolution shall take effect immediately from and after its passage.

Section 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given, as required by law.

PASSED AND APPROVED this the 21st day of April, 2021 at a regular meeting of the Board of Directors by a vote of ____ **FOR** and ____ **AGAINST**.

Todd W. Boykin, President

Michael R. Sandefur, Secretary-Treasurer

RED RIVER AUTHORITY OF TEXAS

RIGHT OF WAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that TYSON REFRIGERATED PROCESSED MEATS, INC. (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by RED RIVER AUTHORITY OF TEXAS, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances over and across 2.50 acres of land, more particularly described in instrument recorded in Volume 549, Page 927 Deed Records, Wilbarger County, Texas and as shown in attached Exhibit "A", together with the right of ingress and egress over Grantors' adjacent lands for the purpose for which the above-mentioned rights are granted. The easement hereby granted shall not exceed 20' in width, and Grantors are hereby authorized to designate the course of the easement herein conveyed except that when the pipe line(s) is installed, the easement herein granted shall be limited to a strip of land 20' in width the center line thereof being the pipe line as installed.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement; (2) the reasonable right from time to time remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, relocation (as above limited), substitution or removal thereof; and (3) the rights to abandon-in-place any and all water supply distribution lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor, or their successors or assigns, to move or remove any such abandoned lines or appurtenances.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over an across the land described above for the purpose of laterally relocating said water lines as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 20' in width, the center line thereof being the pipeline as relocated.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This Agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described lands and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of _____, 2021.

Tyson Refrigerated Process Meats, Inc.

Name of Owner

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on _____ day of _____, 2021

By _____.

(SEAL)

Notary Public's Signature

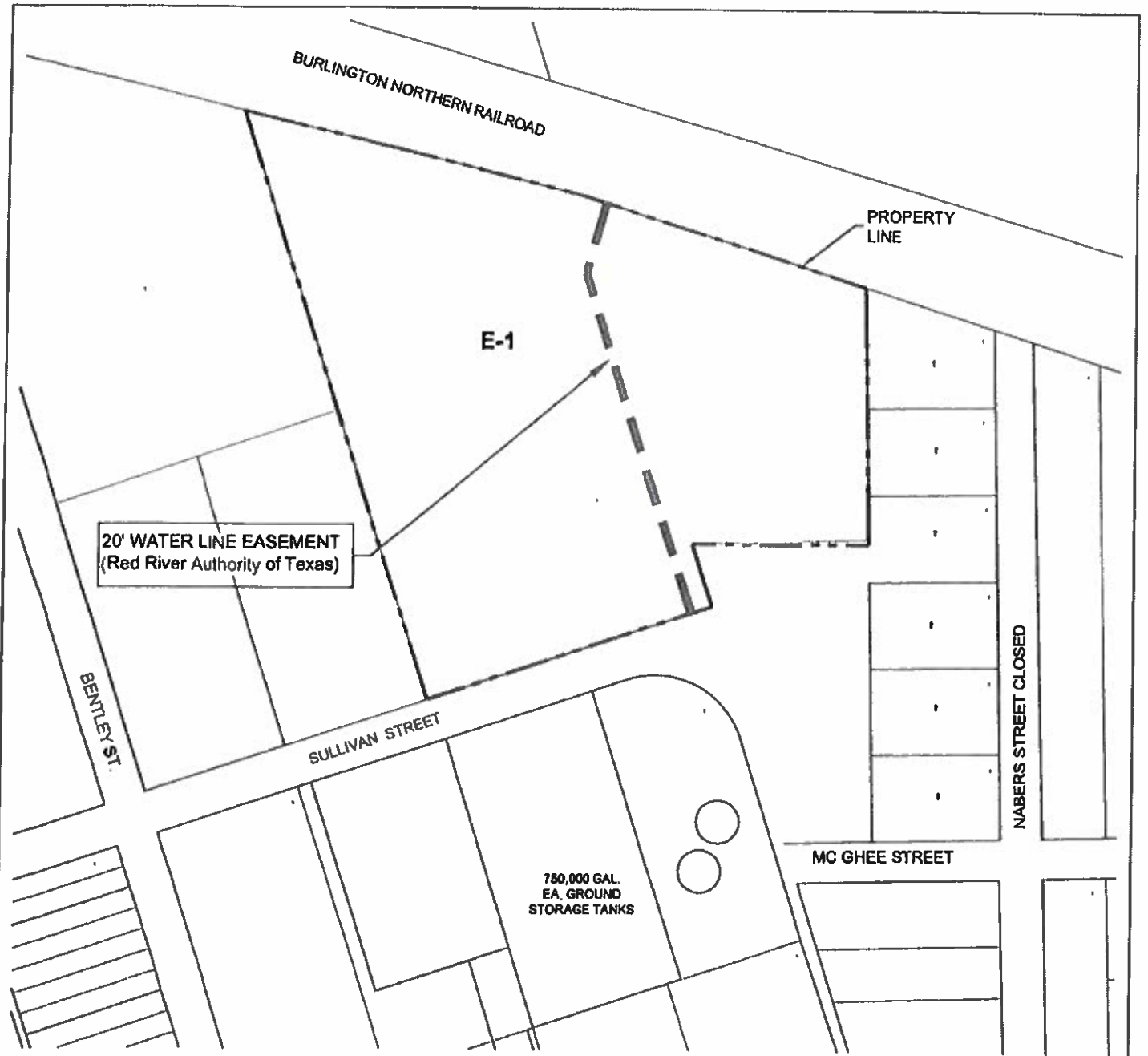


EXHIBIT "A"
TYSON REFRIGERATED
PROCESSED MEATS, INC.
20' WIDE WATER LINE EASEMENT

RED RIVER AUTHORITY of TEXAS

WILBARGER COUNTY, TEXAS

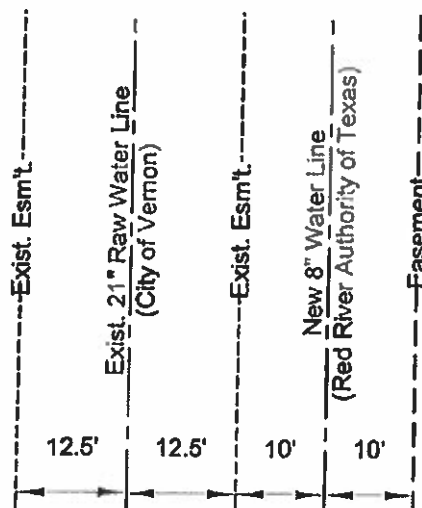
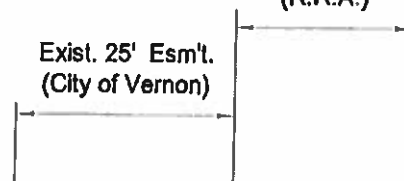


BIGGS & MATHEWS, INC.
 CONSULTING ENGINEERS

2500 BROOK AVENUE V: (940) 766-0156
 WICHITA FALLS, TX 76301 F: (940) 766-3383
 TEXAS REGISTERED ENGINEERING FIRM F-334
 TEXAS REGISTERED SURVEYING FIRM 10016200

DN. KDM	DATE: 3-20-2016	SHEET
OW. JMJ	SCALE: AS SHOWN	E-1
CHK. KOM	DWG.:	

PROPOSED
20' Water Line Easement
(R.R.A.)



EASEMENT DETAIL
Scale: 1" = 20'



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



ITEM 10

Consider Awarding the Bids to Rehabilitate Ground Water Storage Tanks and Pump Station Repairs, as Identified in the Asset Management Plan, and Approved in the Fiscal Year 2020-2021 Budget, and Take Any Other Action Deemed Necessary

The Authority is under TCEQ enforcement to correct the manways in our older storage tanks. The Authority also has several pump stations that need rehab work to address continued leaks and outdated design. We have bundled these small projects to get better interest from contractors.

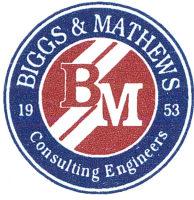
After advertisement, we only received one response. The engineer recommends awarding the bid to Adams Construction.

Sample motion:

I move the Board authorize to award the bid to Rehabilitate Ground Water Storage Tanks and Pump Station Repairs, as presented. _____.

Second _____

Vote For _____ Against _____.



BIGGS & MATHEWS INC.

Consulting Engineers

April 14, 2021

Randy Whiteman, General Manager
Red River Authority of Texas
P.O. Box 240
Wichita Falls, Texas 76307-0240

RE: Miscellaneous Pump Station & Tank Renovations
Estelline, Airport Box & Cee Vee

Dear Mr. Whiteman:

As you are aware, competitive bids were received on Wednesday, April 14, 2021 for the above referenced project. This project was advertised in the local newspaper, Wichita Falls AGC Plan Room, Data Analytics Data Advertising Agency, and contacts were made by phone in an attempt to generate interest in this project. In spite of those efforts, only one bid was submitted. (See Attached Bid Tabulation Sheet)

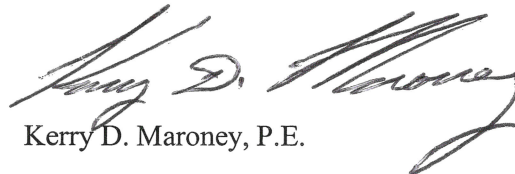
The bid was submitted in the Base Bid amount of \$754,145 by Adams Construction, LLC Iowa Park, Texas. We are very familiar with the quality of work performed by Adams Construction and in fact they have performed work on numerous projects in the past for Red River Authority and completed the work in a timely fashion and in general conformance with the project plans and specifications.

Having evaluated the bid, it is our opinion that the bid submitted is fair and reasonable and therefore, we recommend that the bid be awarded to Adams Construction, LLC in the amount of \$754,145.00

Please contact me if you have any questions regarding the enclosed information.

Regards,

BIGGS & MATHEWS, INC. (F-834)



Kerry D. Maroney, P.E.

Miscellaneous Pump Station & Tank Renovations
Red River Authority of Texas
April 14,2021

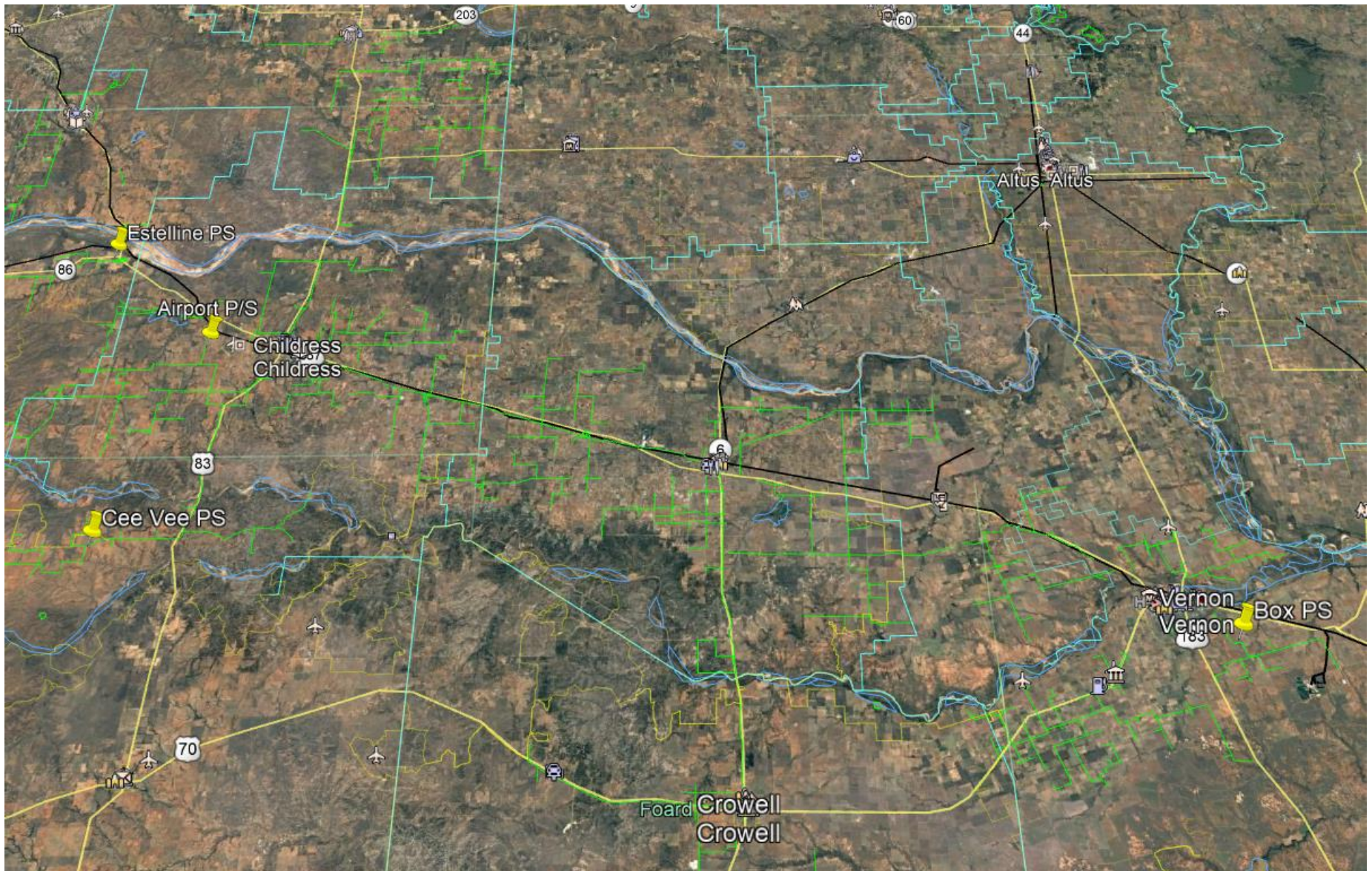
Adams Construction LLC
P.O. Box 399
Iowa Park, TX 76367

ITEM	QTY	UNITS	DESCRIPTION	\$ PER UNIT	TOTAL	\$ PER UNIT	TOTAL
1	4	LS	Mobilization and Insurance, & Bonding for the lump sum	\$9,000.00	\$36,000.00	\$0.00	\$0.00
			ESTELLINE SITE (HALL COUNTY)				
2		LS	Temporary by-pass pumping installation	\$21,075.00	\$21,075.00	\$0.00	\$0.00
3		LS	Renovation of existing ground storage tank and construction of new tank foundation	\$117,550.00	\$117,550.00	\$0.00	\$0.00
4		LS	Furnish & Install all-weather generator	\$5,700.00	\$5,700.00	\$0.00	\$0.00
			AIRPORT SITE (CHILDRESS COUNTY)				
5		LS	Temporary by-pass pumping installation	\$21,075.00	\$21,075.00	\$0.00	\$0.00
6		LS	Renovation of existing ground storage tank and construction of new tank foundation	\$103,495.00	\$103,495.00	\$0.00	\$0.00
7		LS	Renovation of existing pressure tank	\$11,060.00	\$11,060.00	\$0.00	\$0.00
8		LS	Furnish & Install all-weather generator	\$5,700.00	\$5,700.00	\$0.00	\$0.00
			BOX COMMUNITY SITE (WILBARGER CTY)				
9		LS	Temporary by-pass pumping installation	\$21,075.00	\$21,075.00	\$0.00	\$0.00
10		LS	Renovation of existing ground storage tank and construction of new tank foundation	\$106,810.00	\$106,810.00	\$0.00	\$0.00
11		LS	Renovation of existing pressure tank	\$9,660.00	\$9,660.00	\$0.00	\$0.00
12		LS	Replacement of pumps & piping	\$51,780.00	\$51,780.00	\$0.00	\$0.00
13		LS	Electrical & Controls replacement	\$41,940.00	\$41,940.00	\$0.00	\$0.00
14		LS	Furnish & Install all-weather generator	\$5,700.00	\$5,700.00	\$0.00	\$0.00
			CEE VEE SITE (COTTLE COUNTY)				
15		LS	Temporary by-pass pumping installation as required	\$21,075.00	\$21,075.00	\$0.00	\$0.00
16		LS	Renovation of existing ground storage tank	\$102,010.00	\$102,010.00	\$0.00	\$0.00
17		LS	Renovation of existing pressure tank	\$9,660.00	\$9,660.00	\$0.00	\$0.00
18		LS	Replacement of pumps & piping	\$57,080.00	\$57,080.00	\$0.00	\$0.00
19		LS	Furnish & Install all-weather generator	\$5,700.00	\$5,700.00	\$0.00	\$0.00
			TOTAL AMOUNT OF BASE BID		\$754,145.00		0.00
<u>ADD ALTERNATIVE ITEMS (ONLY AS REQUIRED)</u>							
1-A		SF	Welded Steel 3/16" roof plate replacement	\$190.00	\$190.00	\$0.00	0.00
2-A		SF	Welded Steel 1/4" floor/wall replacement	\$215.00	\$215.00	\$0.00	0.00
3-A		EA	Furnish & Install ext steel roof support beams 6' long	\$1,435.00	\$1,435.00	\$0.00	0.00
4-A		EA	Furnish & Install ext steel roof support beams 9' long	\$1,585.00	\$1,585.00	\$0.00	0.00

2020-077

4/14/2021

Miscellaneous Pump Station and Tank Improvements Project (yellow tack pins)





RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



ITEM 11

Consider Authorizing the Bids to Replace the Lake Arrowhead East Water Distribution Line, as Identified in the Asset Management Plan, and Approved in the Fiscal Year 2020-2021 Budget, and Take Any Other Action Deemed Necessary

The line behind the dam at Lake Arrowhead is located in a very inaccessible area. In the past, the line has had multiple repairs on it. Its replacement is part of the CIP and 2021 Budget.

Sample motion:

I move the Board authorize advertisement of bids to replace the Lake Arrowhead East Water Distribution Line, as presented _____.

Second _____

Vote For _____ Against _____.

**RED RIVE AUTHORITY OF TEXAS
LAKE ARROWHEAD EAST WATER DISTRIBUTION LINE REPLACEMENT
BID SCHEDULE**

Proposal of _____(hereinafter called "BIDDER"), organized and existing under the laws of the State of _____ doing business as a _____*.

To Red River Authority of Texas (hereinafter called "OWNER").

In compliance with your Advertisement for Bids, BIDDER hereby proposes to perform all work for

Lake Arrowhead East Water Distribution Line Replacement

in strict accordance with the CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below.

By submission of this BID, each BIDDER certifies, and in the case of a joint BID, each party thereto certifies to his own organization, that this BID has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this BID with any other BIDDER or with any competitor.

BIDDER hereby agrees to commence work under this contract on or before a date to be specified in the NOTICE TO PROCEED and to fully complete the PROJECT within 60 consecutive calendar days. The BIDDER further agrees to pay as liquidated damages \$100.00 for each consecutive calendar day that the work is not completed as set out in the SPECIAL PROJECT SPECIFICATIONS and as provided in the GENERAL CONDITIONS.

BIDDER acknowledges receipt of the following ADDENDUM:

*Insert "a corporation", "a partnership", or "an individual" as applicable.

ITEM NO.	QUANTITY AND UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
-------------	----------------------	-------------	---------------	----------------

BASE BID:

1.	LS	Mobilization and Insurance for the lump sum of _____ Dollars and _____ Cents. (Not To Exceed 5% of Bid)	_____	_____
2.	3 EA	Excavation required to verify existing line location per each for _____ Dollars and _____ Cents.	_____	_____
3.	6,800 LF	Furnish and Install 6" PVC (SDR-200) pipe per linear foot for _____ Dollars and _____ Cents.	_____	_____
4.	3 EA	Furnish and Install 6" Gate Valve and Box per each for _____ Dollars and _____ Cents.	_____	_____
5.	2 EA	Connect to existing 6" line per each for _____ Dollars and _____ Cents.	_____	_____
6.	400	Creek Casing for 6" PVC Water Carrier Pipe per linear foot for _____ Dollars and _____ Cents.	_____	_____
7.	1 EA	Fire Hydrant Assembly for flushing per each for _____ Dollars and _____ Cents.	_____	_____

Total Amount of Base Bid

=====

ITEM NO.	QUANTITY AND UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
----------	-------------------	-------------	------------	-------------

ALTERNATE BID:

1-A	6,800 LF	Furnish and Install 8" PVC (SDR-200) pipe per linear foot for _____ Dollars and _____ Cents.	_____	_____
2-A	3 EA	Furnish and Install 8" Gate Valve and Box per each for _____ Dollars and _____ Cents.	_____	_____
3-A	2 EA	Connect to existing 6" line per each for _____ Dollars and _____ Cents.	_____	_____
4-A	400	Creek Casing for 8" PVC Water Carrier Pipe per linear foot for _____ Dollars and _____ Cents.	_____	_____

Amounts are to be shown in both words and figures. In case of discrepancy, the amount shown in words will govern.

The above unit prices shall include all labor, equipment, materials, bailing, shoring, removal, overhead, profit, insurance, etc., to cover the finished work of the several kinds called for.

The undersigned agrees to complete all work covered by these contract documents for these unit prices within Sixty (60) consecutive calendar days after the date of commencing work as set forth in the written work order. The Contractor further agrees to pay as liquidated damages the sum of \$100.00 for each consecutive working day thereafter that the work is not completed.

Bidder understands that the Owner reserves the right to reject any or all bids and to waive any informalities in the bidding. The Bidder agrees that this bid shall be good and may not be withdrawn for a period of 60 days after the scheduled closing time for receiving bids.

Upon receipt of written notice of the acceptance of this bid, Bidder will execute the formal contract attached within 10 days and deliver a Surety Bond or Bonds as required by the GENERAL CONDITIONS. The bid security attached in the sum of Five (5%) percent of amount bid (\$) is to become the property of the Owner in the event the contract and bond are not executed within the time above set forth, as liquidated damages for the delay and additional expense to the Owner caused thereby.

Respectfully submitted,

By_____

Address_____

Telephone No._____

Email:_____

Date_____

SEAL (if Corporation)



RED RIVER AUTHORITY OF TEXAS

Regularly Scheduled

September 21, 2020

Board of Directors Meeting Conference Call

Summarized Statement of Expenses

Amended



TOTAL

Todd W. Boykin			
Director Fees	1 Day @ \$150/Day		150.00
			<u>150.00</u>
Mary Lou Bradley			
Director Fees	Voucher not submitted		0.00
			<u>0.00</u>
Jerry Bob Daniel			
Director Fees	1 Day @ \$150/Day		150.00
			<u>150.00</u>
Jerry Dan Davis			
Director Fees	1 Day @ \$150/Day		150.00
			<u>150.00</u>
Michael R. Sandefur			
Director Fees	1 Day @ \$150/Day		150.00
			<u>150.00</u>
George Wilson Scaling, II			
Director Fees	1 Day @ \$150/Day		150.00
		*	<u>150.00</u>
Zackary K. Smith			
Director Fees	1 Day @ \$150/Day		150.00
			<u>150.00</u>
Stephen A. Thornhill			
Director Fees	1 Day @ \$150/Day		150.00
			<u>150.00</u>
Joe L. Ward			
Director Fees	1 Day @ \$150/Day		150.00
			<u>150.00</u>
Other Expenses			
Cumulus Solutions, Inc. - Invoice #2187:			1.08
TOTAL DIRECTOR EXPENSES			<u><u>\$1,201.08</u></u>

*Submitted for Approval at April 2021 Meeting



RED RIVER AUTHORITY OF TEXAS

Regularly Scheduled

Executive and Investment Committees Meeting and Board of Directors Meeting Video Conference Call

Summarized Statement of Expenses

January 19-20, 2021

		TOTAL
Todd W. Boykin		
Director Fees	2 Days @ \$150/Day	<u>300.00</u>
		300.00
Mary Lou Bradley		
Director Fees	Voucher not submitted	<u>0.00</u>
		0.00
Jerry Bob Daniel		
Director Fees	1 Day @ \$150/Day	<u>150.00</u>
		150.00
Jerry Dan Davis		
Director Fees	1 Day @ \$150/Day	<u>150.00</u>
		150.00
Michael R. Sandefur		
Director Fees	2 Days @ \$150/Day	<u>300.00</u>
		300.00
George Wilson Scaling, II		
Director Fees	Not Present	<u>150.00</u>
		150.00
Zackary K. Smith		
Director Fees	1 Day @ \$150/Day	<u>150.00</u>
		150.00
Stephen A. Thornhill		
Director Fees	2 Days @ \$150/Day	<u>300.00</u>
		300.00
Joe L. Ward		
Director Fees	1 Day @ \$150/Day	<u>150.00</u>
		150.00
Other Expenses		
Todd W. Boykin	Presidential Duties - Last Qtr of CY 2020	300.00
TOTAL DIRECTOR EXPENSES		<u><u>\$1,950.00</u></u>

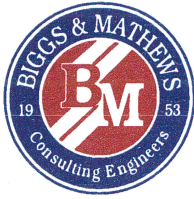


RED RIVER AUTHORITY OF TEXAS

Board of Directors Committee Meetings Expenses Fiscal Year 2021



		<u>TOTAL</u>	<u>NOTES</u>
<u>FINANCE COMMITTEE</u>			
BOARD MEMBER	MEETING DATE		
<u>GOVERNMENTAL/REGULATORY COMMITTEE</u>			
BOARD MEMBER	MEETING DATE		
Todd W. Boykin	November 17, 2020	150.00	approved at prev BOD mtg and paid
George Wilson Scaling, II	November 17, 2020	150.00	to be approved
Joe L. Ward	November 17, 2020	150.00	to be approved
<u>ASSET MANAGEMENT/CUSTOMER SERVICE COMMITTEE</u>			
BOARD MEMBER	MEETING DATE		
Mary Lou Bradley	November 11, 2020	0.00	not submitted
Jerry Bob Daniel	November 11, 2020	0.00	to be approved
Zackary K. Smith	November 11, 2020	150.00	to be approved
<u>OTHER EXPENSES:</u>			
Cumulus Solutions, Inc. - Invoice #2356		2.90	
01/11/2021 Asset Management/Customer Service Committee Conference Call			
TOTAL TO BE APPROVED 04/24/2021		<u>\$ 450.00</u>	
FISCAL YEAR TO DATE TOTAL		<u>\$ 600.00</u>	



BIGGS & MATHEWS INC.

Consulting Engineers

April 7, 2021

UPDATE FOR APRIL 21, 2021 RED RIVER BOARD MEETING

GUTHRIE-DUMONT SYSTEM:

- Wells completed. (Well #1-35gpm, Well #2-45gpm, Well #3-20 gpm & Well #4-55gpm)
- When permanent power gets to well site, all wells need to be pumped & retested...
- Elevated Water Storage Tank is complete.
- Water pipeline to Dumont 40% complete

HINDS-WILDCAT & NORTHSIDE SYSTEM:

- Only outstanding property owner easement remaining is Tyson Foods.
- Tyson Foods easement in condemnation
- All other easements have been obtained and filed for record.

LAKE ARROWHEAD WATER SYSTEM:

- Project is complete and operational ... Only minor cleanup items remaining

HOWARDWICK WATER SYSTEM:

- Re-Worked & Rehabilitated existing Janny Well - Acceptable Water Quality - 60 gpm
- Well No. 1-A - Rework & Rehabilitated – Good Water Quality & 60 gpm
- Well No. 2 – Scheduled to Re-Work & Rehabilitate within 30 days..

PRESTON SHORES WATER SYSTEM (12" RAW WATER & DISINFECTION FACILITIES)

- Project approximately 97% complete.
- Awaiting shipment of disinfection equipment that has been on backorder for months.

PRESTON SHORES WATER SYSTEM (INTAKE FACILITIES)

- Final Plans & Specifications sent for COE Approval.
- Consultants Environmental Study completed with No Environmental Findings
- Coordination on-going with Corps of Engineers (COE)
- All documents provided to COE and under review by COE.

MISCELLANEOUS P.S. & TANK RENOVATIONS (Estelline, Airport , Box & Cee Vee P.S. Sites)

- Plans & Specifications complete.
- Bidding process is underway ... Bid Opening set for April 14, 2021.
- Anticipate presenting bid results to BOD at April 21, 2021 meeting.

Bond Expenditures Update

As of 03/31/2021

Total Bond Proceeds Spent:	\$	8,564,916.90	
Bond Proceeds Available:	\$	6,435,083.10	<i>without interest</i>
03.31.2021 Bond Account Totals:			
TXPool	\$	814,273.17	
FNB	\$	6,483,879.54	
	\$	<u>7,298,152.71</u>	

2017 BOND ISSUANCE PROJECTS

Updated as of 03/31/2021

PHASE I		2016 Org.	CURRENT COST		REMAINING
312	Hinds-Wildcat Water System, new water source	\$ 937,500	\$ 216,620	n	\$ 720,880
500	Guthrie-Dumont Water System, new water source*	\$ 4,062,500	\$ 3,398,054	n	\$ 664,446
520	Truscott-Gilliland Water System, new water source	\$ 3,125,000	\$ 2,577,380	√	\$ 547,620
*engineer requested an additional \$1M					
PHASE II					
100	Estelline Wastewater Treatment System	\$ 625,000			\$ 625,000
235	West Kirkland Pressure Improvements	\$ 437,500	\$ -	√	\$ 437,500
300	Vernon West Pump Station	\$ 500,000			\$ 500,000
411	Childress NE Line Replacement	\$ 437,500			\$ 437,500
722	Preston Shores Disinfection System (UV System)	\$ 1,562,500	\$ 469,889	n	\$ 1,092,611
800	Howardwick Pressure Tank and Distribution Regulators	\$ 625,000	\$ 371,804	n	\$ 253,196
902	Ringgold Water Supply Well	\$ 343,750			\$ 343,750
900/901	Lake Arrowhead Water System (Wichita Falls Line)	\$ 2,500,000	\$ 1,531,170	n	\$ 968,830
	20,000 gallon Ground Storage Tanks (16 tanks @ \$100,000)	\$ 2,000,000			\$ 2,000,000
	30,000 gallon Ground Storage Tanks (2 tanks @ \$125,000)	\$ 312,500			\$ 312,500
	40,000 gallon Ground Storage Tanks (7 tanks @ \$150,000)	\$ 1,312,500			\$ 1,312,500
	50,000 gallon Ground Storage Tanks (4 tanks @ \$175,000)	\$ 875,000			\$ 875,000
	100,000 gallon Ground Storage Tank (1 tank @ \$250,000)	\$ 312,500			\$ 312,500
	Small Pump Stations (2 @ \$100,000)	\$ 250,000			\$ 250,000
	5,000 gallon Pressure Tank	\$ 93,750			\$ 93,750
	Miscellaneous SCADA System	\$ 312,500			\$ 312,500
		\$ 20,625,000	\$ 8,564,917		\$ 12,060,083

AWARDED CONTRACT AMOUNTS

	<u>Awarded</u>	<u>Paid thru 03/31/2021</u>	<u>Contract Balance</u>
<u>Hinds (312)</u>			
	\$ -	\$ -	\$ -
<u>Guthrie/Dumont (500)</u>			
Pittsburg Tank	443,798	349,918	93,880
Central Texas	989,000	973,665	15,335
Whitewater Construction	2,789,837	1,057,405	1,732,432
<u>Preston Shores (722)</u>			
Lynn Vessels	430,929	393,605	37,324
<u>Howardwick (800)</u>			
Central Texas	214,600	105,078	109,522
Adams Construction	221,000	225,150	(4,150)
<u>Lake AH/ARE (900)</u>			
Bowles Construction	<u>1,520,295</u>	<u>1,395,552</u>	<u>124,743</u>
	\$ 6,609,459	\$ 4,500,374	\$ 2,109,085



Red River Authority of Texas

TODD W. BOYKIN, President, Amarillo
MICHAEL R. SANDEFUR, Secretary-Treasurer, Texarkana
STEPHEN A. THORNHILL, Assistant Secretary, Denison
MARY LOU BRADLEY, Memphis
JERRY BOB DANIEL, Truscott
JERRY DAN DAVIS, Wellington
GEORGE WILSON SCALING, II, Henrietta
ZACKARY K. SMITH, Canyon
JOE L. WARD, Telephone

RANDALL W. WHITEMAN, General Manager
FABIAN A. HEANEY, Assistant General Manager
DANNA P. BALES, Executive Assistant
LANA HEFTON, Controller

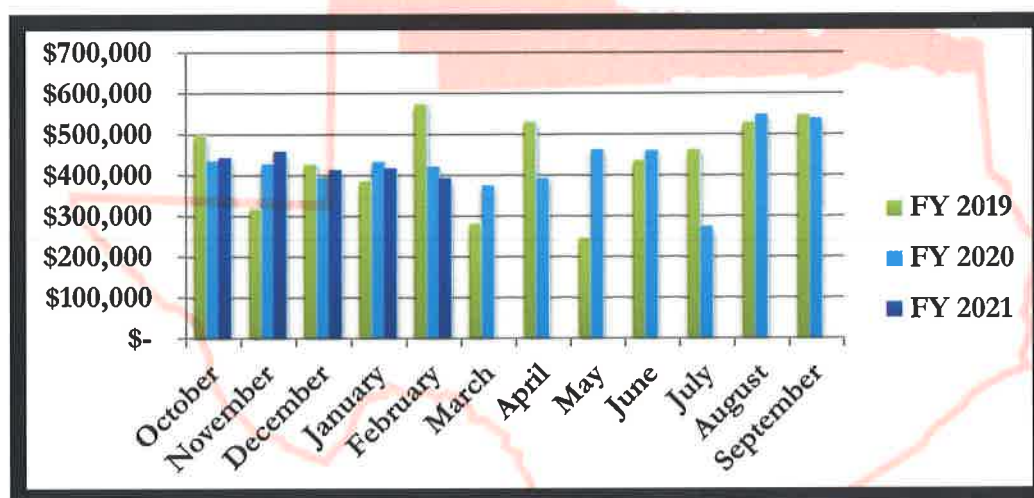
April 15, 2021

BOARD OF DIRECTORS

Re: Financial Statements for the Period Ended February 28, 2021

Dear Members of the Board:

Attached please find the financial statements referenced for your review and consideration. Utility Division water sales for February 28, 2021 reflects a decrease of \$28,430 from the same month of the prior year and a decrease of \$24,766 from January 2021. This decrease is due to increased precipitation across the Authority's service area as well as average seasonal temperatures. Please note, the February 2021 winter storm will not be reflected until the March 31, 2021 reports.



Should you have any questions, please do not hesitate to contact me.

Sincerely,

RED RIVER AUTHORITY OF TEXAS

Lana Hefton
Controller

RED RIVER AUTHORITY OF TEXAS
COMBINED STATEMENT OF REVENUES AND EXPENSES

For 5 months: Ending February 28, 2021

Memorandum Only

ALL FUND TYPES
COMBINED DIVISIONS

	<u>FY 2019-2020</u> <u>Year-To-Date</u>	<u>FY 2020-2021</u> <u>Year-To-Date</u>	<u>Budgeted</u> <u>Year-To-Date</u>
Revenues:			
General Divison	\$ 632,998	\$ 501,441	\$ 607,354
Environmental Services Division	405,879	303,164	401,415
Communications Division	93,605	34,506	33,104
Utility Division	<u>2,572,306</u>	<u>2,415,747</u>	<u>2,602,830</u>
Total revenues	<u>3,704,787</u>	<u>3,254,858</u>	<u>3,644,704</u>
Expenses:			
General Divison	590,437	609,916	569,363
Environmental Services Division	429,367	363,957	384,798
Communications Division	6,846	6,285	24,815
Utility Division	<u>2,406,448</u>	<u>2,293,526</u>	<u>2,568,683</u>
Total expenses	<u>3,433,098</u>	<u>3,273,684</u>	<u>3,547,658</u>
Extraordinary Items			
Change in net assets	<u>\$ 271,689</u>	<u>\$ (18,826)</u>	<u>\$ 97,046</u>

This statement is to be used for comparison purposes only.

RED RIVER AUTHORITY OF TEXAS
STATEMENT OF REVENUES AND EXPENSES

For 5 months: Ending February 28, 2021

ALL FUNDS TYPES
COMBINED DIVISIONS

	<u>FY 2019-2020</u> <u>Year-To-Date</u>	<u>FY 2020-2021</u> <u>Year-To-Date</u>	<u>Budgeted</u> <u>Year-To-Date</u>
Operating revenues:			
Charges for materials and services	\$ 990,945	\$ 811,494	\$ 981,665
Water and sewer sales	2,062,431	2,132,666	2,241,689
Management fees	113	2,625	-
Other income	513,186	264,830	375,798
	<u>3,566,674</u>	<u>3,211,615</u>	<u>3,599,151</u>
Operating expenses:			
Water purchases	357,278	439,957	499,018
Personnel services	986,213	998,703	1,049,545
Administrative costs	564,628	560,326	551,890
Utilities, supplies and maintenance	671,350	460,038	671,856
Insurance	76,463	81,310	32,464
Automobile and travel	116,830	81,292	89,320
Professional and directors fees	103,992	101,431	105,589
Bad debts	22,812	16,671	14,430
Water quality study	-	-	-
	<u>2,899,567</u>	<u>2,739,728</u>	<u>3,014,110</u>
Operating income (loss) before depreciation	667,108	471,887	585,041
Depreciation	<u>(306,939)</u>	<u>(316,090)</u>	<u>(320,026)</u>
Operating income (loss)	<u>360,169</u>	<u>155,798</u>	<u>265,015</u>
Non-operating revenues (expenses):			
Interest income	138,113	43,243	45,553
Gain on sale	-	-	-
Interest expense	<u>(226,593)</u>	<u>(217,866)</u>	<u>(213,521)</u>
	<u>(88,480)</u>	<u>(174,623)</u>	<u>(167,968)</u>
Income (loss) before operating transfers	271,689	(18,826)	97,046
Capital contributions	-	-	-
Loss on Insurance Proceeds	-	-	-
Operating transfers in	-	-	-
Change in net assets	<u>\$ 271,689</u>	<u>\$ (18,826)</u>	<u>\$ 97,046</u>

RED RIVER AUTHORITY OF TEXAS
STATEMENT OF REVENUES AND EXPENSES

For 5 months: Ending February 28, 2021

GENERAL DIVISION 011

	<u>FY 2019-2020</u> <u>Year-To-Date</u>	<u>FY 2020-2021</u> <u>Year-To-Date</u>	<u>Budgeted</u> <u>Year-To-Date</u>
Operating revenues:			
Charges for materials and services	\$ 494,556	\$ 475,066	\$ 548,729
Management fees	113	2,625	-
Other income	130,018	15,298	48,083
	<u>624,686</u>	<u>492,989</u>	<u>596,813</u>
Operating expenses:			
Personnel services	300,914	307,963	330,000
Administrative costs	24,828	34,142	28,001
Utilities, supplies and maintenance	53,055	58,936	44,789
Insurance	76,463	81,310	32,464
Automobile and travel	6,364	2,966	4,870
Professional and directors fees	103,992	101,431	105,172
Research expense	-	-	6,250
	<u>565,614</u>	<u>586,748</u>	<u>545,296</u>
Operating income (loss) before depreciation	59,072	(93,759)	51,517
Depreciation	<u>(24,822)</u>	<u>(23,168)</u>	<u>(24,067)</u>
Operating income (loss)	<u>34,249</u>	<u>(116,927)</u>	<u>27,450</u>
Non-operating revenues (expenses):			
Interest income	8,312	8,452	10,542
Gain on sale	-	-	-
Interest expense	-	-	-
	<u>8,312</u>	<u>8,452</u>	<u>10,542</u>
Income (loss) before operating transfers	42,561	(108,475)	37,992
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ 42,561</u>	<u>\$ (108,475)</u>	<u>\$ 37,992</u>

RED RIVER AUTHORITY OF TEXAS
STATEMENT OF REVENUES AND EXPENSES

For 5 months: Ending February 28, 2021

COMMUNICATIONS DIVISION 081

	<u>FY 2019-2020</u> <u>Year-To-Date</u>	<u>FY 2020-2021</u> <u>Year-To-Date</u>	<u>Budgeted</u> <u>Year-To-Date</u>
Operating revenues:			
Charges for materials and services	\$ 90,510	\$ 33,415	\$ 31,521
Operating expenses:			
Personnel services	-	-	-
Administrative costs	893	820	3,237
Utilities, supplies and maintenance	3,275	2,964	19,078
	<u>4,168</u>	<u>3,784</u>	<u>22,315</u>
Operating income (loss) before depreciation	86,342	29,630	9,206
Depreciation	<u>(2,678)</u>	<u>(2,500)</u>	<u>(2,500)</u>
Operating income (loss)	<u>83,664</u>	<u>27,130</u>	<u>6,706</u>
Non-operating revenues (expenses):			
Interest income	3,094	1,091	1,583
Interest expense	-	-	-
	<u>3,094</u>	<u>1,091</u>	<u>1,583</u>
Income (loss) before operating transfers	86,759	28,221	8,289
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ 86,759</u>	<u>\$ 28,221</u>	<u>\$ 8,289</u>

RED RIVER AUTHORITY OF TEXAS
STATEMENT OF REVENUES AND EXPENSES

For 5 months: Ending February 28, 2021

UTILITY DIVISION 100 - 902

	<u>FY 2019-2020</u> <u>Year-To-Date</u>	<u>FY 2020-2021</u> <u>Year-To-Date</u>	<u>Budgeted</u> <u>Year-To-Date</u>
Operating revenues:			
Water and sewer sales	\$ 2,062,431	\$ 2,132,666	\$ 2,241,689
Other income	383,168	249,382	327,714
	<u>2,445,599</u>	<u>2,382,048</u>	<u>2,569,403</u>
Operating expenses:			
Water purchases	357,278	439,957	499,018
Personnel services	521,451	539,004	568,711
Administrative costs	458,851	458,809	452,353
Utilities, supplies and maintenance	446,518	271,155	463,239
Automobile and travel	105,248	70,097	77,784
Professional and directors fees	-	-	-
Bad debts	22,812	16,671	14,430
	<u>1,912,159</u>	<u>1,795,693</u>	<u>2,075,533</u>
Operating income (loss) before depreciation	533,440	586,355	493,870
Depreciation	<u>(267,696)</u>	<u>(279,967)</u>	<u>(279,628)</u>
Operating income (loss)	<u>265,744</u>	<u>306,388</u>	<u>214,241</u>
Non-operating revenues (expenses):			
Interest income	126,707	33,699	33,428
Gain on sale	15,410	-	-
Interest expense	<u>(226,593)</u>	<u>(217,866)</u>	<u>(213,521)</u>
	<u>(84,476)</u>	<u>(184,167)</u>	<u>(180,093)</u>
Capital contributions	-	-	-
Extraordinary gain - insurance claim proceeds	-	-	-
Change in net assets	<u>\$ 181,268</u>	<u>\$ 122,222</u>	<u>\$ 34,148</u>

RED RIVER AUTHORITY OF TEXAS
STATEMENT OF REVENUES AND EXPENSES

For 5 months: Ending February 28, 2021

UTILITY DIVISION 100 - 902

	<u>FY 2019-2020</u> <u>Year-To-Date</u>	<u>FY 2020-2021</u> <u>Year-To-Date</u>	<u>Budgeted</u> <u>Year-To-Date</u>
Operating revenues:			
Water and sewer sales	\$ 2,062,431	\$ 2,132,666	\$ 2,241,689
Other income	383,168	249,382	327,714
	<u>2,445,599</u>	<u>2,382,048</u>	<u>2,569,403</u>
Operating expenses:			
Water purchases	357,278	439,957	499,018
Personnel services	521,451	539,004	568,711
Administrative costs	458,851	458,809	452,353
Utilities, supplies and maintenance	446,518	271,155	463,239
Automobile and travel	105,248	70,097	77,784
Professional and directors fees	-	-	-
Bad debts	22,812	16,671	14,430
	<u>1,912,159</u>	<u>1,795,693</u>	<u>2,075,533</u>
Operating income (loss) before depreciation	533,440	586,355	493,870
Depreciation	<u>(267,696)</u>	<u>(279,967)</u>	<u>(279,628)</u>
Operating income (loss)	<u>265,744</u>	<u>306,388</u>	<u>214,241</u>
Non-operating revenues (expenses):			
Interest income	126,707	33,699	33,428
Gain on sale	15,410	-	-
Interest expense	<u>(226,593)</u>	<u>(217,866)</u>	<u>(213,521)</u>
	<u>(84,476)</u>	<u>(184,167)</u>	<u>(180,093)</u>
Capital contributions	-	-	-
Extraordinary gain - insurance claim proceeds	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ 181,268</u>	<u>\$ 122,222</u>	<u>\$ 34,148</u>

RED RIVER AUTHORITY OF TEXAS
STATEMENT OF REVENUES AND EXPENSES

For 5 months: Ending February 28, 2021

ENVIRONMENTAL SERVICES DIVISION 079

	<u>FY 2019-2020</u> <u>Year-To-Date</u>	<u>FY 2020-2021</u> <u>Year-To-Date</u>	<u>Budgeted</u> <u>Year-To-Date</u>
Operating revenues:			
Contract Income	\$ 143,308	\$ 108,682	\$ 150,466
Lab Fees	262,571	194,331	250,949
Other Income	-	150	-
	<u>405,879</u>	<u>303,164</u>	<u>401,415</u>
Operating expenses:			
Personnel services	163,848	151,736	150,833
Administrative costs	80,056	66,555	68,300
Utilities, supplies and maintenance	168,502	126,983	144,750
Automobile and travel	5,219	8,228	6,667
Professional and directors fees	-	-	417
Water quality study	-	-	-
	<u>417,625</u>	<u>353,503</u>	<u>370,967</u>
Operating income (loss) before depreciation	(11,746)	(50,339)	30,448
Depreciation	<u>(11,742)</u>	<u>(10,455)</u>	<u>(13,831)</u>
Operating income (loss)	<u>(23,489)</u>	<u>(60,794)</u>	<u>16,617</u>
Non-operating revenues (expenses):			
Interest income	-	-	-
Gain on sale	-	-	-
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ (23,489)</u>	<u>\$ (60,794)</u>	<u>\$ 16,617</u>

RED RIVER AUTHORITY OF TEXAS
COMBINING BALANCE SHEET - ALL PROPRIETARY FUNDS
February 28, 2021

	<u>GENERAL DIVISION</u>	<u>COMMUNICATION DIVISION</u>	<u>WATER & SEWER SYSTEMS</u>	<u>ENVIRONMENTAL SERVICES</u>	<u>TOTAL</u>
ASSETS					
Current assets:					
Cash and short-term investments	\$ 7,971,149	\$ 1,113,607	\$ 1,215,302	\$ (113,662)	\$ 10,186,395
Receivables:					
Trade and contracts	24,322	(7,099)	854,603	133,133	1,004,959
Interest Receivable	-	-	-	-	-
Due from other Authority funds	-	-	-	-	-
Interfund loans	-	-	-	-	-
Prepaid expenses	-	-	89,612	-	89,612
Inventory	-	-	-	-	-
Total current assets	<u>7,995,471</u>	<u>1,106,509</u>	<u>2,159,516</u>	<u>19,471</u>	<u>11,280,966</u>
Restricted assets:					
Cash and short-term investments	-	-	8,149,043	-	8,149,043
Fixed assets:					
Land and easements	183,332	-	276,109	-	459,441
Water and sewer systems	-	-	20,818,449	-	20,818,449
Water storage rights	-	-	1,222,700	-	1,222,700
Machinery and equipment	-	310,975	180,163	562,211	1,053,349
Furniture and fixtures	1,238,738	-	55,014	-	1,293,752
Motor vehicles	58,930	-	751,717	34,340	844,987
Construction in Progress	6,650	-	4,950,834	30,000	4,987,484
Less accumulated depreciation	(750,427)	(297,114)	(14,398,056)	(549,966)	(15,995,563)
Total fixed assets	<u>737,222</u>	<u>13,861</u>	<u>13,856,931</u>	<u>76,585</u>	<u>14,684,600</u>
Long-term assets:					
Net pension obligation	1,315,457	-	-	-	1,315,457
Bond Insurance	-	-	37,683	-	37,683
Interfund loans receivable, less current	-	-	-	-	-
Total assets	<u>10,048,150</u>	<u>1,120,370</u>	<u>24,203,174</u>	<u>96,056</u>	<u>35,467,750</u>
LIABILITIES AND EQUITY					
Current liabilities (payable from current assets)					
Bank overdraft	-	-	-	-	-
Accounts payable - trade	99,322	201	541,304	9,846	650,673
Accrued payroll and related taxes	24,901	-	55,276	(2,162)	78,015
Unearned revenue	-	465	1,915	-	2,380
Interfund loans payable, current	-	-	-	-	-
Total	<u>124,223</u>	<u>666</u>	<u>598,495</u>	<u>7,684</u>	<u>731,068</u>
Current liabilities (payable from restricted assets)					
Bonds payable, current	-	-	340,217	-	340,217
Interest payable - bonds	-	-	236,484	-	236,484
Total current liabilities	<u>124,223</u>	<u>666</u>	<u>1,175,196</u>	<u>7,684</u>	<u>1,307,768</u>
Long-term liabilities:					
Bonds payable, less current maturities	-	-	14,220,500	-	14,220,500
Interfund loans payable, less current maturities	-	-	-	-	-
Deferred bond amortization	-	-	174,700	-	174,700
Pension Related	562,098	-	-	-	562,098
Deposits	-	-	(150)	-	(150)
Total long-term liabilities	<u>562,098</u>	<u>-</u>	<u>14,395,050</u>	<u>-</u>	<u>14,957,148</u>
Total liabilities	<u>686,321</u>	<u>666</u>	<u>15,570,246</u>	<u>7,684</u>	<u>16,264,916</u>
Equity:					
Investment in capital assets, net of related det	737,222	13,861	(600,053)	76,585	227,616
Restricted					
Debt service, repair & replacement & construc	-	-	-	-	-
Net pension obligation	1,315,457	-	-	-	1,315,457
Unrestricted	<u>7,309,150</u>	<u>1,105,842</u>	<u>9,232,982</u>	<u>11,787</u>	<u>17,659,761</u>
Total restricted and unrestricted	<u>8,624,607</u>	<u>1,105,842</u>	<u>9,232,982</u>	<u>11,787</u>	<u>18,975,218</u>
Total net assets	<u>9,361,829</u>	<u>1,119,703</u>	<u>8,632,929</u>	<u>88,372</u>	<u>19,202,834</u>
Total liabilities and net assets	<u>\$ 10,048,150</u>	<u>\$ 1,120,370</u>	<u>\$ 24,203,175</u>	<u>\$ 96,056</u>	<u>\$ 35,467,750</u>

RED RIVER AUTHORITY OF TEXAS

COMBINING STATEMENTS OF CASH FLOWS

For the period ended February 28, 2021

	<u>General Division</u>	<u>Communication Division</u>	<u>Water and Sewer Systems</u>	<u>Environmental Services Division</u>	<u>Total Cash Inflow (Outflow)</u>
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers and users	\$ 112,489	\$ 1,862	\$ 404,750	\$ 32,769	\$ 551,870
Cash payments to suppliers for goods and services	(10,209)	(337)	(657,078)	(29,483)	(697,107)
Cash payments to employees for services	(57,699)	-	(102,239)	(29,996)	(189,934)
Customer deposits refunded	-	-	-	-	-
Net cash provided (used) by operating activities	<u>44,581</u>	<u>1,525</u>	<u>(354,567)</u>	<u>(26,710)</u>	<u>(335,171)</u>
Cash flows from noncapital financing activities:					
Closed out AEP Bond	-	-	-	-	-
Closed out Interfund Loan (012) and Maint. Div. (08)	-	-	-	-	-
Proceeds from interfund loans	-	-	-	-	-
Principal paid on interfund loans	-	-	-	-	-
Interest paid on interfund loans	-	-	-	-	-
Net cash used by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Principal paid on revenue bonds and notes	-	-	(3,583)	-	(3,583)
Interest paid on revenue bond and notes	-	-	(869)	-	(869)
Proceeds from interfund loans	-	-	-	-	-
Principal paid on interfund loans	-	-	-	-	-
Interest paid on interfund loans	-	-	-	-	-
Acquisition of capital assets	(2,196)	-	(148,737)	-	(150,933)
Proceeds from sale of equipment	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Net cash used by capital and related financing activities	<u>(2,196)</u>	<u>-</u>	<u>(153,189)</u>	<u>-</u>	<u>(155,385)</u>
Cash flows from investing activities:					
Interfund loan advances	-	-	-	-	-
Collections received on interfund loans	-	-	-	-	-
Interest received on interfund loans	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Purchase of cash investments	-	-	-	-	-
Interest received on investments	1,499	226	5,095	-	6,820
Net cash provided by investing activities	<u>1,499</u>	<u>226</u>	<u>5,095</u>	<u>-</u>	<u>6,820</u>
Net increase (decrease) in cash and cash equivalents	43,884	1,751	(502,661)	(26,710)	(483,736)
Cash and cash equivalents (deficit), beginning	<u>7,927,265</u>	<u>1,111,857</u>	<u>9,867,006</u>	<u>(86,952)</u>	<u>18,819,176</u>
Cash and cash equivalents (deficit), ending	<u>\$7,971,149</u>	<u>\$ 1,113,608</u>	<u>\$9,364,345</u>	<u>\$ (113,662)</u>	<u>\$18,335,440</u>

RED RIVER AUTHORITY OF TEXAS

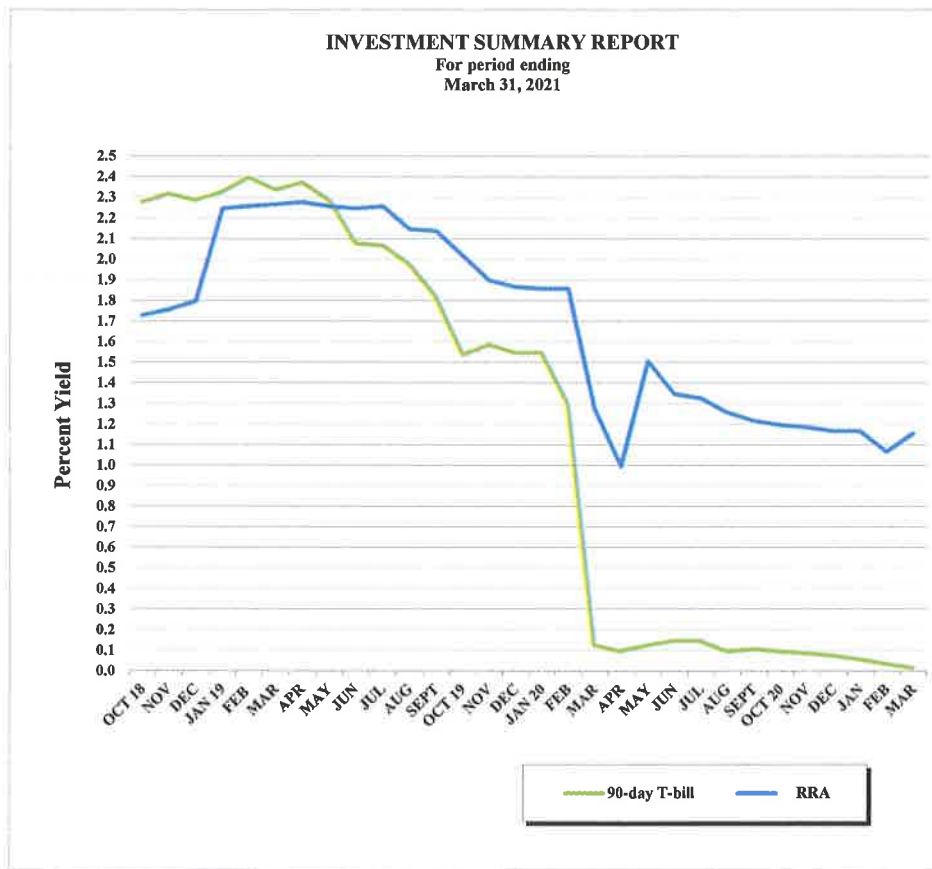
COMBINING STATEMENTS OF CASH FLOWS, Continued

For the period ended February 28, 2021

	<u>General Division</u>	<u>Communication Division</u>	<u>Water and Sewer Systems</u>	<u>Environmental Services Division</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Net Operating income (loss)	<u>16,364</u>	<u>(906)</u>	<u>1,245</u>	<u>(10,442)</u>	<u>6,261</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	4,786	500	54,561	2,121	61,968
Abandonment					
Change in assets and liabilities:					
Decrease (increase) in trade receivables	16,818	1,862	(1,762)	(13,230)	3,688
Decrease (increase) in prepaid expenses	-	-	-	-	-
Decrease (increase) in inventory	-	-	9,292	-	9,292
Increase (decrease) in net pension obligation	-	-	-	-	-
Increase (decrease) in trade accounts payable	6,615	68	(417,905)	(5,159)	(416,381)
Increase (decrease) in accrued liabilities	-	-	-	-	-
Increase (decrease) in deferred revenues	-	-	-	-	-
Increase (decrease) in deposits	-	-	-	-	-
Total adjustments	<u>28,219</u>	<u>2,430</u>	<u>(355,814)</u>	<u>(16,268)</u>	<u>(341,433)</u>
Net cash provided (used) by operating activities	<u><u>44,583</u></u>	<u><u>1,524</u></u>	<u><u>(354,569)</u></u>	<u><u>(26,710)</u></u>	<u><u>(335,172)</u></u>

RED RIVER AUTHORITY OF TEXAS
Portfolio Summary Report
for the period ending March 31, 2021

Beginning Book Value	\$18,255,443
Beginning Market Value	\$18,255,443
Weighted Average Maturity (at beginning)	32
Ending Book Value	\$ 17,473,358
Ending Market Value	\$ 17,473,358
Weighted Average Maturity (at ending)	30
Unrealized Gain (or Loss)	\$ -
Deposits/Transfers	\$ (790,383)
Earnings for Period	\$ 8,298
Change in Market Value	\$ (782,085)
Average Yield to Maturity for Period	1.16%
Average Benchmark Yield for Period	0.02%



RED RIVER AUTHORITY OF TEXAS

Investment Summary Report for the period ending March 31, 2021

MARKET SECTOR TYPE	ACCT/ CUSP	MATURITY DATE	BOOK VALUE	MARKET VALUE	EARNINGS FOR PERIOD	YIELD AT MATURITY	DAYS TO MATURITY	% OF PORT
LOCAL GOVERNMENT POOLS								
TexPool Special Operating	2431400002	Open	\$ 176,708	\$ 176,708	\$ 3	0.02%	30	1.0%
TexPool Interfund Loan	2431400001	Open	\$ 720,898	\$ 720,898	\$ 11			4.1%
TexPool Construction	2431400004	Open	\$ 814,273	\$ 814,273	\$ 13			4.7%
TexPool Interest & Sinking	2431400005	Open	\$ 20,564	\$ 20,564	\$ 9			0.1%
TOTALS			\$ 1,732,443	\$ 1,732,443	\$ 36	0.02%	30	9.9%
MONEY MARKET ACCOUNT								
AMERICAN NATIONAL BANK	5067677	Open	\$ 3,240,424	\$ 3,240,424	\$ 4,000	1.50%	1	18.5%
			\$ 3,240,424	\$ 3,240,424	\$ 4,000	1.50%	1	18.5%
CERTIFICATES OF DEPOSIT			\$ -	\$ -	\$ -	0.00%	0	0.0%
INSURED CASH SWEEPS								
AMERICAN NATIONAL BANK	1053043	Open	\$ 6,016,612	\$ 6,016,612	\$ 2,227	0.44%	1	34.4%
FIRST NATIONAL BANK	4047767	Open	\$ 6,483,880	\$ 6,483,880	\$ 2,035	0.36%	1	37.1%
			\$ 12,500,491	\$ 12,500,491	\$ 4,262	0.80%	1	71.5%
TOTAL PORTFOLIO			\$ 17,473,358	\$ 17,473,358	\$ 8,298	1.16%	4	100.00%

PURCHASES

SALES and MATURITIES

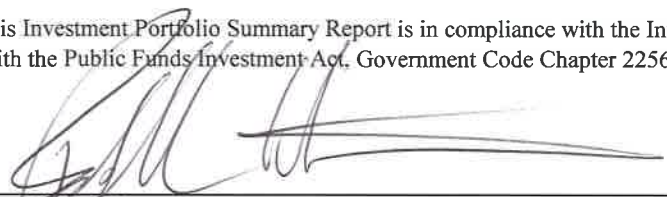
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RED RIVER AUTHORITY OF TEXAS
Investment Monthly Transactions Summary Report
for the period ending March 31, 2021

TRANSACTIONS

	ACCT/ CUSP	BEGINNING VALUE	DEPOSITS INTEREST	WITHDRAWS TRANSFERS	ENDING VALUE
TexPool Special Operating	2431400002	\$ 176,705	\$ 3	\$ -	\$ 176,708
American National Bank & Trust	5067677	\$ 3,194,423	\$ 184,000	\$ (138,000)	\$ 3,240,424
ANB Insured Cash Sweep	1053043	\$ 6,014,385	\$ 2,227	\$ -	\$ 6,016,612
Designated Funds					
TexPool Interfund Loan	2431400001	\$ 720,887	\$ 11	\$ -	\$ 720,898
TexPool Construction	2431400004	\$ 814,260	\$ 13	\$ -	\$ 814,273
TexPool Interest & Sinking	2431400005	\$ 453,956	\$ 138,009	\$ (571,400)	\$ 20,564
FNB Insured Cash Sweep	4047767	\$ 6,880,827	\$ 2,035	\$ (398,983)	\$ 6,483,880
Construction					
<hr/>					
TOTALS		<u>\$ 18,255,443</u>	<u>\$ 326,298</u>	<u>\$ (1,108,383)</u>	<u>\$ 17,473,358</u>

This Investment Portfolio Summary Report is in compliance with the Investment Strategy adopted by the Board of Directors and is also in compliance with the Public Funds Investment Act, Government Code Chapter 2256 of the State of Texas.



 Randall W. Whitemen, General Manager



 Lana Hefton, Controller



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



ITEM 14

**Comments from the Directors and/or Suggestions
For Future Agenda Items**



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
April 21, 2021



ITEM 15

Adjourn Meeting
