



CITY OF TEXARKANA

CITY COUNCIL

AGENDA • JUNE 8, 2020

Council Chambers

Regular Meeting

6:00 PM

220 TEXAS BLVD.
TEXARKANA, TX 75501

PRECAUTIONARY MEASURES RELATED TO COVID-19: The City Council will conduct this meeting in person. To protect councilmembers, city employees, and attendees, persons who intend to attend this meeting are requested to wear masks, to have their temperature taken with a forehead thermometer upon entering City Hall, and to provide contact information in the event contact tracing becomes necessary due to a health concern becoming known to the City after the meeting. Citizens who wish to submit comments to be read during open forum without attending the meeting may e-mail comments to j.evans@txkusa.org. **All e-mailed comments must be received by 12:00 p.m. on the day of this meeting.** The public may continue to access the City's regular meeting by internet livestream through the Quick Links "City Meeting Videos and Agendas" posted on the city's website ci.texarkana.tx.us.

Mayor

Bob Bruggeman

Ward 1

Jean H. Matlock

Ward 3

Betty Williams

Ward 5

Bill Harp

Ward 2

Mary Hart

Ward 4

Christie Alcorn

Ward 6

Jay Davis



The City Council reserves the right to convene into closed session on any agenda item or issue should the need arise and if applicable pursuant to authorization by the Texas Open Meetings Act (Title 5, Chapter 551 of the Texas Government Code).

If the City Council convenes into closed session, they will reconvene in one hour or less to take any final action, decision, or vote on a matter deliberated in closed session.

- I. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM**
- II. INVOCATION AND PLEDGE LED BY COUNCIL MEMBER BILL HARP**
- III. MAYOR'S REMARKS AND ITEMS OF COMMUNITY INTEREST**

REMINDER - Council's Summer Schedule is one meeting in June and one meeting in July.

Upcoming City Council Meetings:

Monday, July 13, 2020 at 6:00 p.m.
Monday, August 10, 2020 at 6:00 p.m.
Monday, August 24, 2020 at 6:00 p.m.

Parks & Recreation Events:

Southwest Center has reopened with limited hours of operation from 8:00 a.m. - 7:00 p.m., Monday through Friday. Meeting rooms, classes and gym activities will be limited to 10 people per session.

Additional Parks & Recreation information can be found on the city's website at [<http://www.ci.texarkana.tx.us>](http://www.ci.texarkana.tx.us) or by contacting staff at (903) 798-3978.

Special Presentations

Certified Annual Financial Report for the FYE September 30, 2019 - By David Coleman of BKD

Broadband Expansion in Texarkana - by Mike Hunsucker of Windstream

Men's Health Month Proclamation - June 2020

IV. OPEN FORUM: COMMENTS FROM THE PUBLIC

Per Council rules, comment time is limited to five minutes, or ten minutes if using a translator. Before comments are made, a speaker must complete an information sheet and give to the City Secretary. If your comment pertains to an agenda item with a scheduled public hearing or public comment, the Council requires that you make your comment at that time; you do not need to complete an information sheet.

V. APPOINTMENTS TO BOARDS, COMMISSIONS AND COMMITTEES**VI. ITEMS FOR CONSIDERATION*****Consent Items***

1. Resolution No. 2020-053 authorizing the City Manager to enter into a contract for the FM 2148 and IH-30 water and sewer relocations with Belt Construction of Texas, LLC in an amount not to exceed \$467,875.94 with funds reimbursable by TXDOT.

Public Hearing:

Council Vote: June 8, 2020

2. Resolution No. 2020-058 authorizing the City Manager to enter into a contract for a reimbursement agreement in an amount not to exceed \$406,000 for the drainage improvements to the property at St. Michael Drive and Richill Drive from funds in the Tax Increment Reinvestment Zone #1 Fund.

Public Hearing:

Council Vote: June 8, 2020

Action Items

3. Resolution No. 2020-059 approving and authorizing the City Manager to execute and implement a Water Supply and Distribution Contract with Riverbend Water Resources District.

Public Hearing:

Council Vote: June 8, 2020

VII. FIRST BRIEFINGS**VIII. PUBLIC HEARINGS**

1. Ordinance No. 2020-040 granting a Specific Use Permit to allow the location of a double wide HUD code manufactured home on Lots 1 & 2, Block 35, Grandview Addition, located at 2707 Davis Street. Sharon Robinson Block, applicant.

Public Hearing: June 8, 2020
Council Vote: June 8, 2020

2. Ordinance No. 2020-041 rezoning an approximate 2.9-acre tract of land in the M.E.P. Ry. Co. HRS, A-421, located at 3920 Summerhill Road. General Retail to Planned Development-Commercial. Alan Schimming, applicant.

Public Hearing: June 8, 2020
Council Vote: June 8, 2020

3. Ordinance No. 2020-042 granting Specific Use Permit to allow the location of a double wide HUD code manufactured home on Lots 3 & 4, Block 19, Grandview Addition, located at 3919 Alexander Avenue. Mildred Wyatt, applicant. Sharon Williams, agent.

Public Hearing: June 8, 2020
Council Vote: June 8, 2020

4. Ordinance No. 2020-043 granting Specific Use Permit to allow the location of a double wide HUD code manufactured home on Lots 7-10, Block 10, Grandview Addition, located at 3324 Alexander Avenue. John and Valerie Fuller, applicants.

Public Hearing: June 8, 2020
Council Vote: June 8, 2020

5. Ordinance No. 2020-044 granting Specific Use Permit to allow a telecommunications tower on Lots 7 & 8, Block 125, Trigg's Addition, located at 1204 Wood Street. Fred Norton, applicant. Gregg Staggs, agent.

Public Hearing: June 8, 2020
Council Vote: June 8, 2020

6. Resolution No. 2020-051 supporting The Texarkanan (former Texarkana National Bank building) redevelopment project, authorizing use of funds to any person or entity allying with Texarkana Renewal Properties, LLC for the project, and authorizing the City Manager to execute any and all loan documents or other documents necessary for the project.

Public Hearing: June 8, 2020
Council Vote: June 8, 2020

IX. ITEMS FOR DISCUSSION

Staff Updates

X. ADMINISTRATIVE COMMENTS

1. City Council
2. City Staff

XI. ADJOURNMENT

Jennifer Evans
City Secretary

XIII. RESOLUTIONS

This open meeting of a governmental entity is subject to the Texas Open Meetings Act (Chapter 551, Government Code). The “Council Chambers” is the room or property where the City Council will hold this meeting.

Pursuant to Section 46.035(c), Penal Code (unlawful carrying of handgun by license holder), a license holder commits an offense if the license holder intentionally, knowingly, or recklessly carries a handgun under the authority of Subchapter H, Chapter 411, Government Code, regardless of whether the handgun is concealed or carried in a shoulder or belt holster, in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter.

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for these services, please call 903.798.3917, Personnel or (TDD) 1.800.RELAY.TX (1.800.735.2989).

Briefing Sheet

Version:
Update Date: 6/5/2020 9:59 AM

Lead Department: Finance Department **Action Officer:** Kristin Peeples,
Certified Annual Financial Report for the FYE September 30, 2019 - By David
Subject: Coleman of BKD

Updates/History of Briefing:

None

Executive Summary and Background Information:

David Coleman with BKD will present the results of the audit for the Certified Annual Financial Report (CAFR) for the Fiscal Year Ended September 30, 2019.

Potential Options:

- Approve
- Deny

Fiscal Implications:

To verify that the financial statements are materially correct based on auditing standards generally accepted in the United States.

Staff Recommendation:

Staff recommends approval of the CAFR for the FYE 9/30/19.

Advisory Board/Committee Review:

None

Board/Committee Recommendation:

Not Applicable

Advisory Board/Committee Meeting Date and Minutes:

Not Applicable

Attachments

- a. City of Texarkana 2019 CAFR - Final (PDF)
- b. City of Texarkana 2019 Single Audit - Final (PDF)



City of Texarkana, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2019

Prepared by City of Texarkana, Texas
Finance Department
Kristin Peebles, CPA, Chief Financial Officer



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City of Texarkana, Texas

Comprehensive Annual Financial Report

Year Ended September 30, 2019

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City of Texarkana, Texas

Comprehensive Annual Financial Report

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Comprehensive Annual Financial Report
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Introductory Section



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CITY OF TEXARKANA TEXAS

P.O. Box 1967
Texarkana, TX 75504
Phone (903) 798-3900

Honorable Mayor and City Council,
City Manager and Citizens of the
City of Texarkana, Texas

The Comprehensive Annual Financial Report (CAFR) of the City of Texarkana, Texas (the City) for the fiscal year ended September 30, 2019, is submitted in accordance with State statutes. These statutes require that every general-purpose local government publish at the close of each fiscal year a complete set of audited financial statements.

The report is published to provide the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BKD, LLP has issued unmodified opinions on the City of Texarkana, Texas financial statements for the year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Texarkana, Texas (the City), incorporated in 1874, is located on the Texas –Arkansas state line in the northeast corner of the State of Texas. The City is 28 miles south of Oklahoma and 25 miles north of the Louisiana boundary line and it currently occupies a land area of 31.73 square miles and serves a population estimated at 37,544. The City is empowered to levy a property tax on real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the council-manager form of government since 1960. Policy-making and legislative authority are vested in a governing council (Council) comprised of the mayor and six members, all elected on a non-partisan basis. Council members serve three-year staggered terms, with two members elected by ward every three years. The mayor is elected at large and serves a three-year term. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a full range of services, including police, fire, streets and infrastructure, traffic engineering, parks, recreation, library, community development (planning and zoning), public improvements, tourism activities, and general administrative services. Water and sewer distribution and collection activities are provided by Texarkana, Texas water department in conjunction with the Texarkana, Arkansas water department, dba Texarkana Water Utilities (TWU). The Texas activity of TWU functions as a department of the City, and therefore has been included as an integral part of the City's financial statements.

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Texarkana as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units are in substance, part of the primary government's operations, even though they are legally separate entities. The City reports the Texarkana Firemen's Relief and Retirement Fund, a blended component unit, as a fiduciary fund of the City with a December 31, 2018 year end (most recent audit). Discretely presented component units are legally separate entities and not part of the primary government's operations. The Texarkana-Bowie County Family Health Center is included in the financial statements as a discretely presented component unit. The City also participates in joint ventures with Texarkana, Arkansas to operate the Texarkana Regional Airport and the Bi-State Justice Center. Other joint ventures include the Bowie Central Appraisal District, the Texarkana Metropolitan Planning Organization (MPO) and the Texarkana Urban Transit District (T-Line).

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City and surrounding region are home to several industrial and manufacturing operations, including tire manufacturing, small arms ammunition, paper production, railroad tank car repair, cup and carton manufacturing, pipeline fittings, truck bodies, furniture, valves and couplings, military equipment repair and refurbishing, trucking, and petroleum marketing. Texarkana is also a regional medical center, with two (2) acute care hospitals, offering 675 beds, two (2) rehabilitation hospitals with 140 beds, a 15-bed geriatric psychiatric inpatient facility, and several mental health centers, ambulatory surgical centers, home health care organizations, nursing home centers, assisted living centers, and retirement communities.

The City's strategic location with the prospect of three (3) interstate highways in the area, a favorable climate, plentiful water supplies, and a good mix of manufacturing, agriculture, government, tourism, education, medical, retail trade and service centers should contribute to future growth and development for the foreseeable future. Current estimates indicate that approximately 80,000 vehicles use the area's interstate system.

The City's primary and secondary education needs are served by three (3) public school districts, and four (4) other public school districts that border the City, as well as several area private schools. Five (5) institutions of higher education provide services to the City. Texarkana College has more than 5,000 students enrolled; Texas A&M University-Texarkana expanded to a 4 year university in 2010, completed Bringle Lake Village, the first student housing on campus, in 2011 and currently serves approximately 2,000 students; the University of Arkansas for Medical Sciences Area Health Education Center provides higher education services in the area; and Southern Arkansas Tech, provides airframe and power plant training for 150 students at the airport; University of Arkansas – Texarkana is the City's newest institution of higher education, serving approximately 400 students in its new facility.

The City has a number of worthwhile attractions, including the only U.S. Post Office located in two states, which provides a unique photo opportunity at Photographer's Island, the Scott Joplin Mural, the historic Perot Theatre, the Regional Arts Center, Discovery Place Children's Museum and Texarkana Museum of Regional History, the Texarkana Symphony Orchestra, a municipal golf course designed by Jim Fazio, Jr. and managed by Hank Haney, and City parks that have hosted a number of district and state athletic tournaments. Noted attractions in the City's parks system include: Splash Pad at Spring Lake Park, Kylee Sullivan Pet Safe Dog Park at Spring Lake Park and the new additions at Bringle Lake Park, hed to accumulate bond proceeds and allocate project expenditures as presented in the bond issuance. available on one of many lakes and rivers in the region.

The City continues to see growth in residential and commercial construction. The construction value for permits issued in 2019 totaled \$29,212,505 for new non-residential projects, \$30,536,089 for non-residential additions, \$40,683,660 for new residential projects, and \$2,265,374 for residential additions.

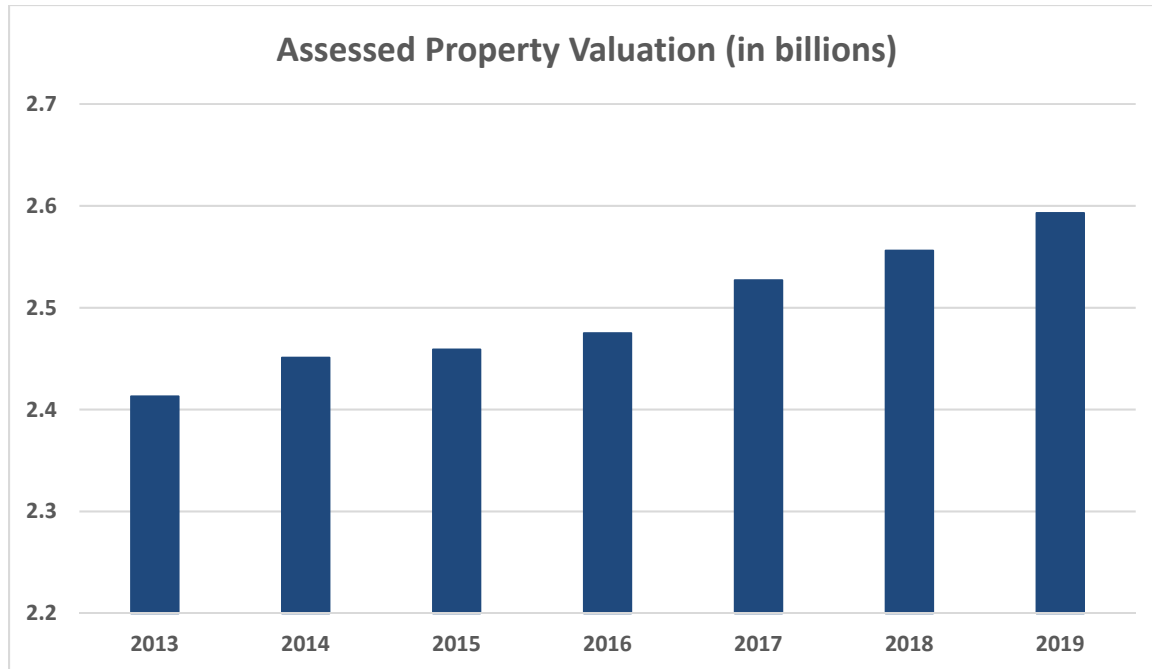
Notable commercial projects in progress and/or completed in 2019 include the following:

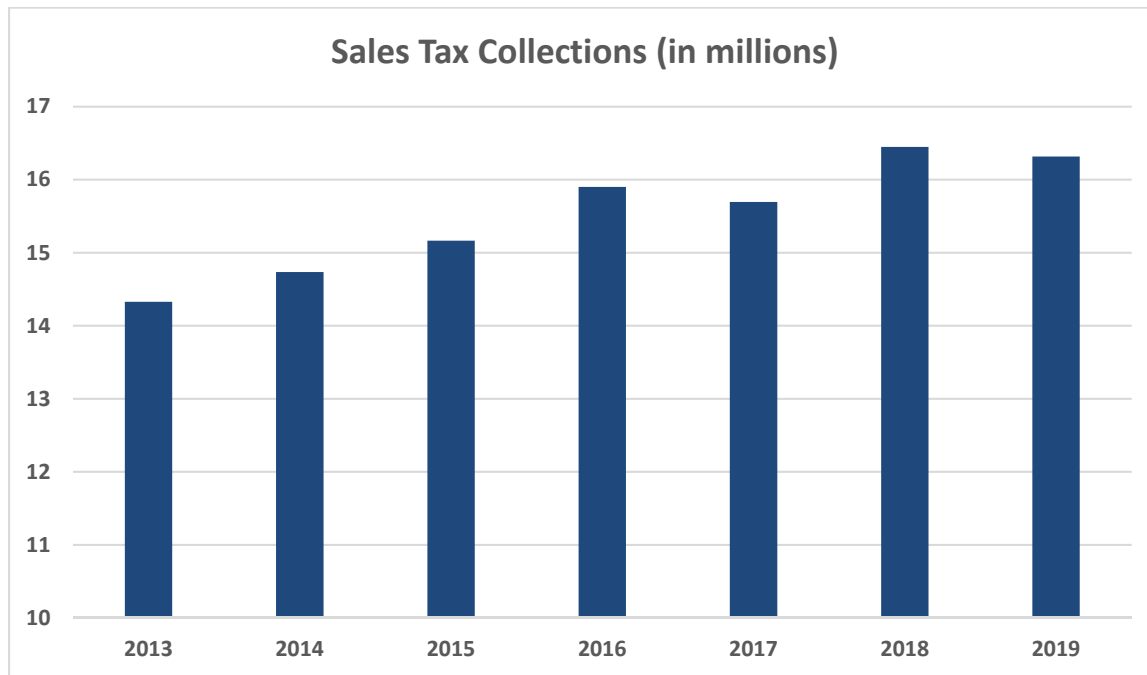
- Banks/Credit Unions/ Schools
 - o Texarkana ISD/ Texarkana College Pool
 - o Texarkana ISD Golf Complex
 - o Texarkana ISD Dance Studio
 - o Texarkana College Biology Building
 - o Texar Federal Credit Union ATM
 - o Farmers Bank
 - o Life Net
 - o Red River Federal Credit Union
 - o Williams Memorial United Methodist Church
 - o Victory Church
 - o Texas Work Force
- Restaurants
 - o Arbys
 - o McDonalds
 - o Flying Burger
 - o Walk On's
- Gym Facilities
 - o None
- Retail Shopping
 - o Wholesale Electric
 - o Ellis Pottery
 - o Credit Car Co.
 - o Stop N Shop
 - o T-Mobile
 - o Greg Orr Collison
 - o Best Buy
 - o Dollar General
 - o Harbor Freight
 - o Sisters Corner
 - o Ark La Tex Auto Auction
- Medical
 - o Texarkana ER
 - o Pleasant Grove Animal Hospital
 - o Precision Spine Care

- o Eagle Dental
- o Red River Pharmacy
- o Temple Memorial Treatment Center
- o The Eye Guys
- o Vision 4 Less
- o Eternal Beauty Medical Aesthetics

Sales taxes and property taxes are responsible for a substantial portion of the City's general fund operating revenue budget. The overall net increase in general revenues in fiscal year 2019 compared to the prior fiscal year was \$288,644. In total, property tax revenue increased by \$410,050 (11.7%). Property tax revenue allocated to the general fund increased by \$1,392,546 (4.62%). Property tax revenue allocated to the debt service fund decreased by \$1,026,391 (20.4%) while property tax revenue allocated to the TIRZ #1 fund increased by \$43,895 (7.2%). Sales and other tax revenue decreased by \$123,613 (0.70%) and various other revenues increased by \$159,655 (2.7%).

Historical perspectives of major revenues are illustrated in the following graphs:





Unemployment in the City decreased to 4.0%, which was slightly higher than the state and national rate of 3.5%

Long-Term Financial Planning

Unassigned fund balance in the general fund at September 30, 2019 is \$9,846,341 which represents 29.9% or 109 days of general fund expenditures and is above the reserve goal of sixty (60) days established by the City's General Fund Balance Policy.

Most of the growth in the City continues to occur along and north of the I-30 corridor, although South of I-30 continues to develop as well. New development should continue to strengthen growth in the City's property tax base and other tax collections, which comprise around eighty-five percent (85%) of the City's General Fund operating revenue budget.

Gas and electric franchise fees were increased several years ago by the City Council to establish an Economic Development Fund to be used for the future economic development projects and activities and to provide incentives for potential projects that would bring jobs and revenue growth to the area. The City is aggressively pursuing economic development projects and assistance is also provided in the form of revolving loan programs.

The City collects hotel occupancy tax revenue at a rate of seven percent. This revenue is used to fund the operation and debt service of the Texarkana Convention Center and various other recipients.

The City has established two (2) Tax Increment Reinvestment Zones (TIRZ) within its boundaries. The first operates in an area that begins on the south side of I-30 and extends north along the University Avenue Corridor to include the proposed University overlay district. The second runs from Texas Boulevard at State Line Avenue through the downtown area. Future incremental tax increases to existing properties and new properties in these districts are projected to provide funding for needed infrastructure projects within these areas without an additional tax burden to our citizens. Funding of both districts began on October 1, 2010. The first TIRZ bond was issued in 2012, with a second bond issued in 2019.

Several potential infrastructure projects within the district have been approved by the TIRZ board. Future debt service payments on the bonds are expected to be funded by property tax revenues collected from new developments within the district.

The South Regional Wastewater Treatment Plant (SRWWTP) is the main wastewater treatment facility for both sides of town. An initial ten-year plan was developed in 2018 to prioritize and schedule out needed upgrades and improvements at this facility. Both the Arkansas and Texas Utilities make annual revenue contributions to the joint SRWWTP depreciation account to provide funding for the identified expenditures. In 2019, utility staff updated and reprioritized the upgrades and replacements on the revolving ten (10) year capital replacement plan with \$3,435,500 in plant improvements scheduled. Expenditures for FY 2019 totaled \$239,457, and the Arkansas and Texas costs were \$89,054 and \$150,403, respectively.

The current water treatment plant located on New Boston Road is over forty (40) years old; and the plant, along with aging intake and distribution facilities, are co-owned by the City and other municipalities. Riverbend Water Resources District, of which Texarkana is a founding statutory member, has submitted and received approval for funding from the Texas Water Development Board for planned improvements which would include construction of a new intake and new treatment facility to be owned and operated by Riverbend. With the participation of Texarkana and other area cities and water supply corporations, Riverbend is moving forward on developing long-term supply contracts with its Member Entities for defeasement of bonds issued for planned improvements, including construction of a new intake and treatment plant and decommissioning of aging infrastructure, and purchase of water treated from the new treatment plant. Texas Commission on Environmental Quality approved an amendment to Texarkana's Certificate of Adjudication authorizing raw water diversion anywhere along the perimeter of Lake Wright Patman, which now enables relocating the raw water intake to a point anywhere along the lake. An engineering study to be commissioned by Riverbend will identify the existing portions of the distribution system that will be required for continued use and the portions, such as the aging intake and treatment plant, to be decommissioned. This is a matter of vital importance to all water users in the region, and any resulting decisions will only result upon Riverbend receiving necessary funding and the governing bodies of participating entities approving long-term supply contracts.

Relevant Financial Policies

The City's financial policies set forth the basic framework for the fiscal management of the City. These include policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, and fund balance/reserve levels. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the City of Texarkana, Texas City Charter. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis.

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City are required to submit requests for appropriation to the City Manager. The City Manager provides a budget development calendar to the City Council for review and approval. After the calendar is approved a proposed budget is prepared and adopted by the City Council by a majority vote prior to the end of the fiscal year. The City Manager may transfer unencumbered appropriated balances between general classifications of expenditures within and/or across any office, department or agency of the City.

The City Manager may submit request for budget amendments at any time provided the total city budget remains balanced (Unassigned Fund Balance may be designated as revenue). Amendments are also approved by a majority vote of the City Council.

Major Initiatives

- In 2019, police officers received a three percent (3%) cost of living adjustment. Non-civil service employees received pay adjustments based on the City's compensation plan which considers time in grade. Employee benefits are an important part of compensation, and administration continues to find opportunities to mitigate rising costs of health care insurance and OPEB benefits, while still providing employees with health insurance coverage that meets the needs of employees and their families.
- The City continues to prioritize the demolition of burned-out and/or dilapidated residential structures. The City maintains an interactive inventory of all structures that are candidates for demolition and continually makes updates as new information becomes available. Demolition efforts are concentrated in specific neighborhoods with the goal of revitalizing an entire neighborhood. One hundred and two (102) structures have been demolished since the inception of this program in August of 2014.
- Long-range financial planning continues to be a priority for the City.
 - o The budgeting process for the general fund captures five years of current and projected financial data.
 - o The Capital Replacement Fund continues to be successful at updating City vehicles and major equipment through a rolling replacement schedule.
 - o The Technology Fund also offers a replacement schedule that reflects average useful life and ensures continual updating of computer equipment for maximum performance.
 - o The Major Street Maintenance Fund continues to be successful at addressing city-wide street maintenance needs as they arise, rather than incurring additional costs by delaying projects until future dates.

Awards and Acknowledgements

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Texarkana, Texas for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2018. This was the twenty-ninth (29th) consecutive year that the government has received this prestigious award. To be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual budget document for the fiscal year ended September 30, 2019, which marks the fourth consecutive year that the City has received this award. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

Acknowledgments. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and our independent auditors. I would like to express my appreciation to those persons who made possible the publication of this report. Credit must also be given to the City Manager, Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Texarkana, Texas finances.

Respectfully submitted,



Kristin Peebles, CPA
Chief Financial Officer

May 18, 2020

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)



Government Finance Officers Association

**Certificate of
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Presented to

**City of Texarkana
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

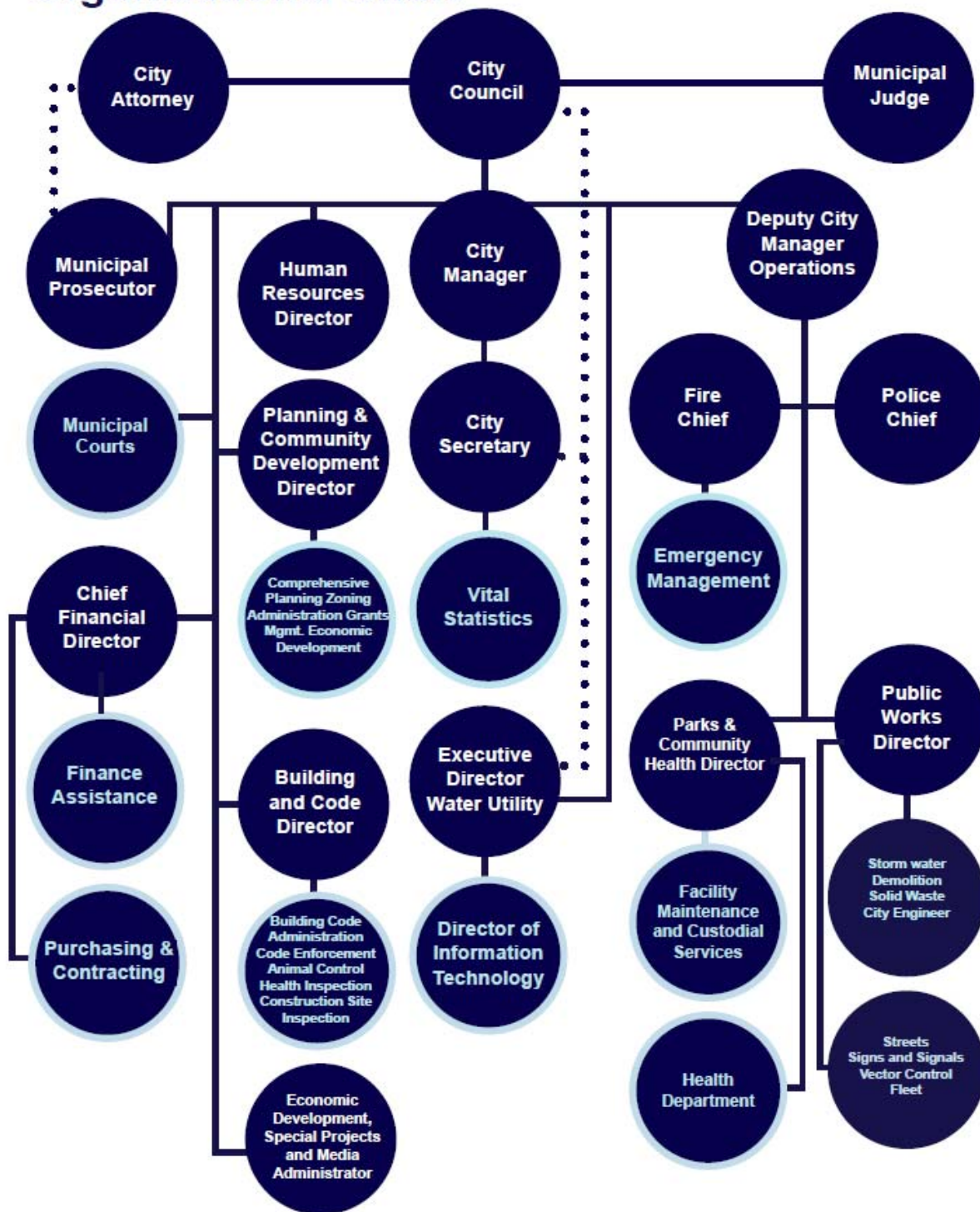
Christopher P. Morill

Executive Director/CEO

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

Organization Chart
Year Ended September 30, 2019

Organizational Chart



City of Texarkana, Texas
List of Principal Officials
Year Ended September 30, 2019

CITY COUNCIL

BOB BRUGGEMAN
Mayor

JEAN H. MATLOCK
Councilmember, Ward 1

MARY HART
Councilmember, Ward 2

BETTY WILLIAMS
Councilmember, Ward 3

CHRISTIE ALCORN
Councilmember, Ward 4

WILLIAM HARP
Councilmember, Ward 5

JOSH DAVIS
Councilmember, Ward 6

SHIRLEY JASTER
City Manager

KRISTIN PEEPLES, CPA
Chief Financial Officer

JENNIFER EVANS
City Secretary



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Independent Auditor's Report

Members of the City Council and
 Honorable Bob Bruggeman, Mayor
 City of Texarkana, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Texarkana, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Texarkana Fireman's Relief and Retirement Fund, a pension trust fund of the City, which represent 64.5 percent, 71.0 percent and (5.1) percent, respectively, of the assets, net position and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the Texarkana Airport Authority or Texarkana Urban Transit District, joint use agreements of the City, which represents approximately 7 percent of the assets and 15 percent of net position of the governmental activities of the City. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for such entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Members of the City Council and
 Honorable Bob Bruggeman, Mayor
 City of Texarkana, Texas
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment information as listed in the table of contents be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Members of the City Council and
Honorable Bob Bruggeman, Mayor
City of Texarkana, Texas
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The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Dallas, Texas
May 18, 2020



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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Texarkana, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-8 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$165,061,253 (net position). Of this amount, \$148,543,448 (90%) is invested in capital assets which do not directly generate revenue and is not available to generate liquid capital. Net position restricted for specific purposes total \$6,257,365 (4%). The remaining \$10,260,440 (6%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position decreased by \$770,874 during this fiscal year. The change in net position from operations of governmental activities decreased by \$1,641,485 while the change in net position from operations of business-type activities increased by \$870,611.
- Unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors, increased by \$5,555,488.
- At the close of the current fiscal year, the City's governmental funds reported ending fund balances of \$27,019,528, a decrease of \$3,221,693 from last year. \$9,725,557 of this amount or 36% of the total fund balance is available for spending at the City's discretion (unassigned fund balance).
- Within the combined governmental fund balances, \$688,671 is non-spendable. Another \$9,571,234 is restricted, \$1,443,943 is committed, and \$5,590,123 is assigned. Total unassigned fund balance for the general fund is \$9,846,341 and is equal to 30% of general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and health and welfare. The business-type activities of the City include water and sewer operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate health center for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 24-26 of this report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-six (26) governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Debt Service Fund, both of which are considered to be major funds. Data from the other twenty-four (24) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all required governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 27-31 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee insurance programs and fleet services. Because each of these services predominately benefits governmental rather than business-type functions, they have primarily been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Texarkana, Texas Water Utilities (TWU), which is considered to be a major fund of the City. Data from the other two (2) enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is presented in the form of combining statements elsewhere in this report. These internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 32-37 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Texarkana, Texas' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 38 - 39 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 40 - 95 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment (OPEB) benefits to its employees.

This required supplementary information regarding pension and OPEB benefits may be found on pages 96 - 105 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds and internal service funds are presented following the required supplementary information on pensions.

Combining and individual statements and schedules can be found on pages 106 – 150 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Texarkana, Texas, assets exceeded liabilities by \$165,061,253 as of September 30, 2019. The largest portion of the City's net position (\$148,543,448 or 90%), reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure, and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF TEXARKANA, TEXAS' NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 47,762,153	\$ 51,390,824	\$ 20,644,288	\$ 18,722,691	\$ 68,406,441	\$ 70,113,515
Capital assets	131,367,431	133,329,215	62,898,237	64,946,421	194,265,668	198,275,636
Total assets	179,129,584	184,720,039	83,542,525	83,669,112	262,672,109	268,389,151
Deferred outflows of resources	12,620,906	2,511,410	1,787,497	1,156,162	14,408,403	3,667,572
Long-term liabilities	90,286,429	85,474,999	11,810,758	11,528,874	102,097,187	97,003,873
Other liabilities	2,904,625	2,515,613	3,032,544	3,360,480	5,937,169	5,876,093
Total liabilities	93,191,054	87,990,612	14,843,302	14,889,354	108,034,356	102,879,966
Deferred inflows of resources	2,421,384	1,461,300	1,563,519	1,883,330	3,984,903	3,344,630
Net position						
Net invested in capital assets	90,171,459	88,593,873	58,371,989	59,005,503	148,543,448	147,599,376
Restricted	6,257,365	8,726,421	-	4,801,378	6,257,365	13,527,799
Unrestricted	(290,772)	459,243	10,551,212	4,245,709	10,260,440	4,704,952
Total net position	\$ 96,138,052	\$ 97,779,537	\$ 68,923,201	\$ 68,052,590	\$ 165,061,253	\$ 165,832,127

An additional portion of the City's net position of \$6,257,365 (4%) represents resources that are subject to external restrictions on their usage. All restricted assets of the City relating to both governmental activities and business-type activities are being held for purposes established by state and local laws, future construction, and debt service reserve requirements on the City's outstanding debt. The remaining balance of unrestricted net position in the amount of \$10,260,440 (6%) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for the government as a whole.

Governmental Activities:

Governmental activities decreased the City's net position by \$1,641,485. Total revenue for the governmental activities (excluding transfers) decreased from the previous year by \$1,466,141. General revenue had a net increase of \$288,644.

Business Type Activities:

Net position from business-type activities increased by \$870,610. Total revenue for the business-type activities decreased from the previous year by \$724,745 primarily due to a decrease in demand for water.

CITY OF TEXARKANA, TEXAS' CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 3,375,389	\$ 3,821,919	\$ 16,768,896	\$ 17,663,399	\$ 20,144,285	\$ 21,485,318
Operating grants and contributions	1,386,805	2,695,060	-	-	1,386,805	2,695,060
Capital grants and contributions	-	-	-	22,539	-	22,539
General revenues						
Property taxes	17,874,442	17,432,676	-	-	17,874,442	17,432,676
Other taxes	19,662,447	19,921,901	-	-	19,662,447	19,921,901
Other revenue	1,163,501	1,057,169	1,544,799	1,352,502	2,708,299	2,409,671
Total revenue	<u>43,462,584</u>	<u>44,928,725</u>	<u>18,313,695</u>	<u>19,038,440</u>	<u>61,776,278</u>	<u>63,967,165</u>
Expenses:						
General government	10,276,183	9,748,511	-	-	10,276,183	9,748,511
Public safety	18,612,666	17,965,103	-	-	18,612,666	17,965,103
Public works	9,681,166	9,119,545	-	-	9,681,166	9,119,545
Parks and recreation	3,562,369	3,630,516	-	-	3,562,369	3,630,516
Health and welfare	1,192,402	1,790,592	-	-	1,192,402	1,790,592
Interest on long-term debt	1,626,684	1,908,617	-	-	1,626,684	1,908,617
Water and sewer	-	-	17,595,681	16,173,218	17,595,681	16,173,218
Total expenses	<u>44,951,471</u>	<u>44,162,884</u>	<u>17,595,681</u>	<u>16,173,218</u>	<u>62,547,152</u>	<u>60,336,102</u>
Change in net position						
before transfers	(1,488,887)	765,841	718,014	2,865,222	(770,874)	3,631,063
Transfers	(152,597)	6,018,900	152,597	(6,018,900)	-	-
Change in net position	<u>(1,641,485)</u>	<u>6,784,741</u>	<u>870,611</u>	<u>(3,153,678)</u>	<u>(770,874)</u>	<u>3,631,063</u>
Beginning net position	<u>97,779,537</u>	<u>90,994,796</u>	<u>68,052,590</u>	<u>71,206,268</u>	<u>165,832,127</u>	<u>162,201,064</u>
Ending net position	<u>\$ 96,138,052</u>	<u>\$ 97,779,537</u>	<u>\$ 68,923,201</u>	<u>\$ 68,052,590</u>	<u>\$ 165,061,253</u>	<u>\$ 165,832,127</u>

Total Statement of Activities

The total result of the City's activity is a decrease in total net position of \$770,874 during the current fiscal year. Net position, before transfers, related to business-type activities increased by \$718,014, while net position from governmental activities decreased by \$1,488,887. Additional related information may be found in the governmental activities section on pages 24-26 of this report.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the City’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$27,019,528 a decrease of \$3,221,693, in comparison with the prior year. This decrease is related to the one-time use of fund balance for debt payment of the 2012 GO Refunding Bond, offset by revenue gains and smaller expenditure savings in other areas.

The General Fund is the chief operating fund of the City of Texarkana, Texas. At the end of the current fiscal year, the unassigned fund balance was \$9,846,341 while the total fund balance was \$15,430,450. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned and total fund balances to total fund expenditures. Unassigned fund balances represent 30% of the total General Fund expenditures, while total fund balance represents 47% of that same amount.

The Debt Service Fund is considered a major governmental fund of the City this year, and, accordingly is presented separately in this year’s report. This fund ended the fiscal year with a fund balance of \$392,006. The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs of all the City’s long-term general obligation debt. The fund expended \$9,781,339 in debt payments during this fiscal year, an increase of \$4,130,676 from last year. This increase is due to the current year debt payment that did not occur in prior year.

The other governmental funds of the City include special revenue funds and capital project funds. At the end of the 2019 fiscal year, the City had combined ending fund balances in its special revenue funds of \$6,632,640, an increase in fund balance of \$588,211 due to total revenue for special revenue funds of \$4,005,094 offset by expenditures of \$2,820,858 and net transfers out of \$596,025.

At the end of fiscal year 2019 the City had a total of three (3) capital project funds included in other governmental funds, with total fund balances of \$4,564,432, a decrease of \$742,151 from last year. These funds are all reserved for street maintenance projects, park improvements, and other miscellaneous capital projects.

Proprietary funds - The City’s proprietary funds, primarily the Texarkana Water Utilities system, provide the same type of information found in the governmental-wide financial statements, but in more detail.

Unrestricted net position for business type activities at the end of fiscal year 2019 was \$10,551,212, which was an increase of \$6,305,503 from 2018. The decrease in investments in capital assets for the year of \$633,514 was funded by several accounts including Capital Improvement, Infrastructure, Depreciation, Technology, Equipment, and Composting.

Internal service funds - The City uses two (2) internal service funds. The combined net position in these funds at the end of the fiscal year was \$1,604,833, a decrease from last year of \$793,581 (33%). The Employee Benefit Fund accounts for contributions received from other City funds and employees to pay medical benefits and life insurance premiums. Net position in the fund decreased by \$638,416, due to claims paid in excess of premiums received and investment earnings. The Fleet Services Fund accounts for repair and maintenance on all City vehicles, excluding TWU. Net position in the fund decreased by \$155,165, due to expenses of \$1,197,619 in excess of revenue and net transfers in of \$1,042,454.

Fiduciary funds - The City also maintains three (3) Fiduciary Funds. The Firemen's Relief Pension Trust Fund accounts for retirement contributions made by the City's firefighters, and contributions made on their behalf by the City. The fund's net position decreased by \$3,463,490 for the calendar year of 2018 due primarily to market performance and net position totaled \$31,355,515. The two remaining fiduciary funds are agency funds. The Drug Enforcement Fund accounts for evidence money seized by the Police Department and holds these funds until final disposition is directed by the courts. This fund had a cash balance of \$19,346 at the end of the fiscal year. The Police Evidence Fund accounts for all funds seized by the Police Department during its apprehension of suspects and subsequent case investigations. The cash balance in the fund at the end of the year was \$1,807.

General Fund Budgetary Highlights

The change in projected ending fund balance between the original budget and final amended budget totaled a \$490,455 increase. Revised revenues for the General Fund were projected to increase by \$998,389. Revised expenditures for the General Fund were projected to increase by \$419,334 and other financing uses were projected to increase by \$88,600.

The difference between the final amended budgeted fund balance and the actual fund balance was a decrease of \$220,949. Total revenue in the General Fund was \$408,572 less than the revised budget. Expenditures for the General Fund were \$141,896 more than the revised budget and other financing uses were \$329,519 less than the revised budget.

Capital Assets and Debt Administration

Capital assets – The City's investment in total capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$194,265,668 (net of accumulated depreciation), compared to \$198,275,636 in 2018, a decrease of \$4,009,968. Investment in capital assets related to governmental activities of \$131,367,431 decreased by \$1,961,784, and includes land, buildings, improvements, machinery and equipment, licensed vehicles, infrastructure and construction in progress. Investment in capital assets related to business-type activities ended the year at \$62,946,237, a decrease of \$2,048,184, reflecting the net of additions and disposals of various capital assets and charges for depreciation expense.

CITY OF TEXARKANA, TEXAS' CAPITAL ASSETS (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 12,206,878	\$ 12,386,733	\$ 1,438,195	\$ 1,419,703	\$ 13,645,073	\$ 13,806,436
Buildings	14,427,015	15,147,062	873,639	929,804	15,300,654	16,076,866
Improvements other than buildings	3,279,215	3,609,827	49,218,504	49,935,803	52,497,719	53,545,630
Machinery and equipment	5,114,597	5,217,707	2,170,411	2,399,029	7,285,008	7,616,736
Licensed vehicles	3,589,466	3,779,270	-	-	3,589,466	3,779,270
Infrastructure	86,988,130	86,838,450	-	-	86,988,130	86,838,450
Construction in progress	5,762,130	6,350,166	2,134,412	2,844,290	7,896,542	9,194,456
Property under capital lease	-	-	7,063,076	7,417,792	7,063,076	7,417,792
Total capital assets	<u>\$ 131,367,431</u>	<u>\$ 133,329,215</u>	<u>\$ 62,898,237</u>	<u>\$ 64,946,421</u>	<u>\$ 194,265,668</u>	<u>\$ 198,275,636</u>

Additional information on the City's capital assets can be found in *Note 5* in this report on pages 59 – 61.

Long-term obligations

At the end of the current fiscal year the City of Texarkana, Texas had total long-term obligations outstanding of \$102,097,187. Of this amount, \$93,437,949 comprises long-term obligations backed by the full faith and credit of the City. The remainder of the City's long-term obligations is secured by specified revenue sources. At the end of fiscal year 2018, this amount was \$8,659,238.

OUTSTANDING LONG-TERM OBLIGATIONS AT YEAR END

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 19,972,519	\$ 26,302,263	\$ -	\$ -	\$ 19,972,519	\$ 26,302,263
Revenue bonds	-	-	2,383,497	2,633,290	2,383,497	2,633,290
Certificates of obligation	25,147,605	26,991,089	-	-	25,147,605	26,991,089
Capital leases	639,414	835,180	2,866,639	3,307,629	3,506,053	4,142,809
Accrued compensated absences	4,721,378	4,235,167	431,807	400,392	5,153,185	4,635,559
Net pension and other post employment liabilities	39,805,513	27,111,300	6,128,815	5,187,563	45,934,328	32,298,863
Total	<u>\$ 90,286,429</u>	<u>\$ 85,474,999</u>	<u>\$ 11,810,758</u>	<u>\$ 11,528,874</u>	<u>\$ 102,097,187</u>	<u>\$ 97,003,873</u>

The City's total debt increased by \$5,093,314 (2.8%) during the current fiscal year. This increase is due to increases in accrued compensated absences, net pensions and other post-employment (OPEB) liabilities.

The City's General Obligation, Certificates of Obligation, and Revenue bond ratings are listed below:

	<i>Moody's Investor Service</i>	<i>Standard & Poors</i>
General Obligation Bonds	Aa3	AA-
Certificates of Obligation	Aa3	AA-
Revenue Bonds	A1	AA-

State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City's local property tax rate for this fiscal year was \$.70020 per \$100 assessed valuation of which \$.200862 per \$100 was for annual debt service.

Additional information on the City's long-term debt can be found in Notes 10-12 on pages 65 – 70 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City as of the fiscal year end was 4.0, compared to 5.2 last year. This rate is slightly higher than the State and National rate of 3.5.

Sales tax collections are projected to comprise about forty eight percent (48%) of the City's proposed General Fund budget for the 2020 fiscal year, while property tax revenue is estimated to account for approximately thirty seven percent (37%). The certified tax roll of \$2,643,968,282 increased just over one percent (1.5%) from the prior year's official tax roll.

The City Council has elected not to increase the property tax rate of .70 per \$100 valuation for the 2020 fiscal year. The proposed budget for the 2020 fiscal year will raise more revenue from property taxes than last year's budget by an amount of \$276,185 which is a 1.5% increase from the prior year. The property tax revenue to be raised from new property added to the tax roll this year is \$198,210.

The ending unassigned General Fund balance is projected to be approximately 65 days of budgeted reoccurring General Fund expenditures.

The Texas Revenue Fund of TWU is projected to end the 2019-2020 budget year with a balance of \$3,516,883 or approximately 60 days of total budgeted expenditures.

Requests for Information

This financial report is designed to provide a general overview of the City of Texarkana, Texas' finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Texarkana, Texas, Finance Department, Attn: Chief Financial Officer, P.O. Box 1967, Texarkana, Texas 75504.



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Notes to Basic Financial Statements

City of Texarkana, Texas
Statement of Net Position
September 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health
ASSETS				
Cash	\$ 21,484,204	\$ 12,425,814	\$ 33,910,018	\$ 784,522
Investments				
Certificates of deposit	4,775,877	3,512,533	8,288,410	-
Receivables (net of allowance for uncollectibles)				
Property taxes	1,728,145	-	1,728,145	-
Other taxes	569,819	-	569,819	-
Accounts	252,083	1,982,826	2,234,909	-
Other government agencies	3,789,918	188,224	3,978,142	206,306
Accrued interest	72,183	15,008	87,191	-
Loans	599,833	-	599,833	-
Internal balances	181	3,834	4,015	-
Inventory	23,766	541,338	565,104	-
Prepaid items	-	83,206	83,206	-
Net investment in direct financing lease	-	15,626	15,626	-
Restricted assets				
Cash	-	65,009	65,009	-
Investments	-	700,000	700,000	-
Accrued interest	-	31,824	31,824	-
Accounts receivable	-	-	-	-
Prepaid capital improvement deposits	-	824,997	824,997	-
Net investment in direct financing lease	-	254,049	254,049	-
Investments in joint venture	14,466,144	-	14,466,144	-
Capital assets (net of accumulated depreciation)				
Land	12,206,878	1,438,195	13,645,073	-
Buildings	14,427,015	873,639	15,300,654	261,854
Improvements other than buildings	3,279,215	49,218,504	52,497,719	-
Infrastructure	86,988,130	-	86,988,130	-
Machinery and equipment	5,114,597	2,170,411	7,285,008	13,928
Licensed vehicles	3,589,466	-	3,589,466	-
Property under capital leases	-	7,063,076	7,063,076	-
Construction in progress	5,762,130	2,134,412	7,896,542	-
TOTAL ASSETS	179,129,584	83,542,525	262,672,109	1,266,610
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	10,653,125	1,787,497	12,440,622	-
Deferred outflows from other post employment benefits	1,287,683	-	1,287,683	-
Deferred charge on refunding	680,098	-	680,098	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 12,620,906	\$ 1,787,497	\$ 14,408,403	\$ -

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health
LIABILITIES				
Accounts payable	\$ 1,920,745	\$ 717,949	\$ 2,638,694	\$ 89,457
Contracts payable	-	41,121	41,121	-
Accrued liabilities	856,433	42,344	898,777	25,329
Due to other governments	118,644	-	118,644	-
Unearned revenue	8,803	-	8,803	-
Accrued interest payable from restricted assets	-	16,861	16,861	-
Customer deposits	-	715,434	715,434	-
Capital improvement deposits	-	1,446,578	1,446,578	-
Other liabilities and escrow deposits	-	52,257	52,257	-
Long-term liabilities				
Due within one year				
Bonds payable	1,440,000	260,000	1,700,000	-
Certificates of obligation	1,870,000	-	1,870,000	-
Obligations under capital leases	220,717	439,448	660,165	-
Accrued compensated absences	311,025	49,053	360,078	-
Due in more than one year:				
Net pension liabilities	26,429,139	5,185,486	31,614,625	-
Net other postemployment liabilities	13,376,374	943,329	14,319,703	-
Bonds payable	18,532,519	2,123,497	20,656,016	-
Certificates of obligation	23,277,605	-	23,277,605	-
Obligations under capital leases	418,697	2,427,191	2,845,888	-
Accrued compensated absences	4,410,353	382,754	4,793,107	-
TOTAL LIABILITIES	93,191,054	14,843,302	108,034,356	114,786
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pension	2,418,099	306,200	2,724,299	-
Deferred inflows from other post employment benefits	3,285	1,257,319	1,260,604	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,421,384	1,563,519	3,984,903	-
NET POSITION				
Net invested in capital assets	90,171,459	58,371,989	148,543,448	275,782
Restricted for:				
Court security and technology	425,576	-	425,576	-
Law enforcement	339,181	-	339,181	-
Health and welfare	961,063	-	961,063	876,042
Public safety radio	116,273	-	116,273	-
Tourism	757,497	-	757,497	-
Debt service	612,087	-	612,087	-
Tax Increment Reinvestment Zone	3,045,688	-	3,045,688	-
Unrestricted	(290,772)	10,551,212	10,260,440	-
TOTAL NET POSITION	\$ 96,138,052	\$ 68,923,201	\$ 165,061,253	\$ 1,151,824

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas

Statement of Activities

Year Ended September 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Health
Primary Government								
Governmental activities								
General government	\$ 10,276,183	\$ 760,372	\$ 329,108	\$ -	\$ (9,186,703)	\$ -	\$ (9,186,703)	\$ -
Public safety	18,612,666	1,757,716	346,386	-	(16,508,564)	-	(16,508,564)	-
Public works	9,681,166	361,314	88,844	-	(9,231,008)	-	(9,231,008)	-
Parks and recreation	3,562,369	231,895	7,470	-	(3,323,005)	-	(3,323,005)	-
Health and welfare	1,192,402	264,092	614,998	-	(313,312)	-	(313,312)	-
Interest on long-term debt	1,626,684	-	-	-	(1,626,684)	-	(1,626,684)	-
Total governmental activities	44,951,471	3,375,389	1,386,805	-	(40,189,277)	-	(40,189,277)	-
Business-type activities								
Water and sewer	17,595,681	16,768,896	-	-	-	(826,785)	(826,785)	-
Total business-type activities	17,595,681	16,768,896	-	-	-	(826,785)	(826,785)	-
Total primary government	62,547,152	20,144,285	1,386,805	-	(40,189,277)	(826,785)	(41,016,062)	-
Component Unit								
Component unit – Health	1,058,670	297,440	892,980	-				131,750
Total component unit	\$ 1,058,670	\$ 297,440	\$ 892,980	\$ -				131,750
General Revenues								
Property taxes					17,874,442	-	17,874,442	-
Sales taxes					16,241,666	-	16,241,666	-
Franchise taxes					1,810,734	-	1,810,734	-
Other taxes					1,610,047	-	1,610,047	-
Unrestricted investment earnings					753,493	332,919	1,086,412	18,052
Miscellaneous					410,007	1,211,880	1,621,887	-
Transfers					(152,597)	152,597	-	-
Total general revenues and transfers					38,547,792	1,697,396	40,245,188	18,052
Change in net position					(1,641,485)	870,611	(770,874)	149,802
Net position, beginning of year					97,779,537	68,052,590	165,832,127	1,002,022
Net position, end of year					\$ 96,138,052	\$ 68,923,201	\$ 165,061,253	\$ 1,151,824

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Balance Sheet – Governmental Funds
September 30, 2019

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 10,529,572	\$ 337,165	\$ 9,017,511	\$ 19,884,248
Investments				
Certificates of deposit	2,764,775	-	2,011,102	4,775,877
Receivables (net of allowance for uncollectible)				
Property taxes	788,788	236,476	702,881	1,728,145
Other taxes	356,671	-	213,148	569,819
Accounts	49,171	38,446	102,178	189,795
Other government agencies	3,317,866	-	375,210	3,693,076
Accrued interest	3,651	-	68,532	72,183
Loans	-	-	599,833	599,833
Due from other funds	305,713	-	548,994	854,707
Investment in joint venture	88,838	-	-	88,838
TOTAL ASSETS	\$ 18,205,045	\$ 612,087	\$ 13,639,389	\$ 32,456,521
LIABILITIES				
Accounts payable	\$ 945,675	\$ -	\$ 486,115	\$ 1,431,790
Accrued payroll	842,766	-	4,362	847,128
Due to other governments	118,644	-	-	118,644
Due to other funds	36,085	312	817,403	853,800
Other liabilities and escrow deposits	8,803	-	-	8,803
TOTAL LIABILITIES	1,951,973	312	1,307,880	3,260,165
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue – charges for services	89,564	-	-	89,564
Unavailable revenue – property taxes	733,058	219,769	700,262	1,653,089
Unavailable revenue – other taxes	-	-	83,618	83,618
Unavailable revenue – grants	-	-	253,271	253,271
Unavailable revenue – interest	-	-	67,661	67,661
Unavailable revenue – intergovernmental	-	-	29,625	29,625
TOTAL DEFERRED INFLOWS OF RESOURCES	822,622	219,769	1,134,437	2,176,828
FUND BALANCES (DEFICIT)				
Nonspendable	88,838	-	599,833	688,671
Restricted	725,081	392,006	8,454,147	9,571,234
Committed	-	-	1,443,943	1,443,943
Assigned	4,770,190	-	819,933	5,590,123
Unassigned (deficit)				
General fund	9,846,341	-	-	9,846,341
Special revenue funds	-	-	(120,784)	(120,784)
TOTAL FUND BALANCES	15,430,450	392,006	11,197,072	27,019,528
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 18,205,045	\$ 612,087	\$ 13,639,389	\$ 32,456,521

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2019

Total governmental funds balances	\$ 27,019,528
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	131,367,431
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,176,828
Internal service funds are used by management to charge the costs of insurance and fleet services to individual funds. A portion of the assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	1,283,866
Long-term liabilities, including bonds payable, certificates of obligation, capital leases and compensated absences are not due and payable in the current periods and therefore are not reported in the funds.	(49,800,818)
Net pension liability, Other Post Employment Benefit (OPEB) liability, pension and OPEB related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds.	(30,286,089)
Equity interest in joint ventures, excluding interest in Bowie Central Appraisal District, do not provide current financial resources and therefore may not be reported in the funds.	<u>14,377,306</u>
Net position of governmental activities	<u>\$ 96,138,052</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds
Year Ended September 30, 2019

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 13,278,509	\$ 3,988,963	\$ 652,969	\$ 17,920,441
Other taxes	16,437,004	-	1,414,709	17,851,713
Franchise receipts	1,448,144	-	362,590	1,810,734
Fees and permits	724,420	-	-	724,420
Charges for services	1,020,163	-	75,304	1,095,467
Municipal court	1,422,961	-	-	1,422,961
Grants and entitlements	51,994	-	693,995	745,989
Interest and dividends	390,323	23,943	286,659	700,925
Rental income	62,401	-	-	62,401
Intergovernmental	312,785	-	600,341	913,126
Other	639,673	-	43,934	683,607
Total revenues	<u>35,788,377</u>	<u>4,012,906</u>	<u>4,130,501</u>	<u>43,931,784</u>
EXPENDITURES				
Current				
General government	7,494,562	-	259,148	7,753,710
Public safety	15,402,186	-	101,790	15,503,976
Public works	5,112,665	-	330,596	5,443,261
Parks and recreation	1,768,555	-	939,773	2,708,328
Health and welfare	315,030	-	877,372	1,192,402
Capital outlay	2,537,798	-	1,179,737	3,717,535
Debt service:				
Principal retirement	236,129	7,870,001	-	8,106,130
Interest and fiscal charges	18,574	1,911,338	-	1,929,912
Total expenditures	<u>32,885,499</u>	<u>9,781,339</u>	<u>3,688,416</u>	<u>46,355,254</u>
Excess (deficiency) of revenues over expenditures	<u>2,902,878</u>	<u>(5,768,433)</u>	<u>442,085</u>	<u>(2,423,470)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,106	5,953,655	527,769	6,506,530
Transfers out	(6,221,323)	-	(1,123,794)	(7,345,117)
Capital lease financing	40,364	-	-	40,364
Total other financing sources (uses)	<u>(6,155,853)</u>	<u>5,953,655</u>	<u>(596,025)</u>	<u>(798,223)</u>
Net change in fund balance	(3,252,975)	185,222	(153,940)	(3,221,693)
Fund balance at beginning of year	<u>18,683,425</u>	<u>206,784</u>	<u>11,351,012</u>	<u>30,241,221</u>
Fund balance at end of year	<u>\$ 15,430,450</u>	<u>\$ 392,006</u>	<u>\$ 11,197,072</u>	<u>\$ 27,019,528</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (3,221,693)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the effect of those differences.	(1,588,734)
The Statement of Activities reports a gain or loss of the sale of the assets based on the proceeds received and the net book value of the assets at the time of disposal. This amount is the net effect of the difference between the cost of assets disposed and the accumulated depreciation of assets disposed.	(373,050)
Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they were collected. This is the net amount of the revenue differences as a result of deferrals because of the availability criterion under the modified accrual basis of accounting.	165,833
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long term debt and related items.	8,368,994
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as an expenditure in the governmental funds.	(486,211)
Net pension and other postemployment obligations reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(1,306,664)
Internal service funds are used by management to charge the costs of insurance and fleet services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(626,976)
Increases (decreases) from the equity interest in joint ventures do not provide or use current current financial resources and therefore may not be reported in the funds.	(334,847)
Change in net position of governmental activities	<u>\$ 596,652</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – General Fund
Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 13,091,078	\$ 13,201,952	\$ 13,278,509	\$ 76,557
Other taxes	16,704,658	16,894,280	16,437,004	(457,276)
Franchise receipts	1,460,750	1,462,300	1,448,144	(14,156)
Fees and permits	524,450	658,925	724,420	65,495
Charges for services	886,950	1,012,655	1,020,163	7,508
Municipal court	1,660,270	1,549,219	1,422,961	(126,258)
Grants and entitlements	45,000	51,994	51,994	-
Investment earnings	224,364	367,971	452,724	84,753
Intergovernmental	230,400	336,379	312,785	(23,594)
Other	370,640	661,274	639,673	(21,601)
Total revenues	35,198,560	36,196,949	35,788,377	(408,572)
EXPENDITURES				
Current				
General government	7,985,150	7,827,387	7,494,562	332,825
Public safety	15,466,886	15,217,602	15,402,186	(184,584)
Public works	5,580,357	5,490,249	5,112,665	377,584
Parks and recreation	1,672,717	1,746,763	1,768,555	(21,792)
Health and welfare	587,363	392,440	315,030	77,410
Capital outlay	759,819	1,811,430	2,537,798	(726,368)
Debt service				
Principal	256,026	239,158	236,129	3,029
Interest	15,951	18,574	18,574	-
Total expenditures	32,324,269	32,743,603	32,885,499	(141,896)
Excess (deficiency) of revenue over expenditures	2,874,291	3,453,346	2,902,878	(550,468)
OTHER FINANCING SOURCES (USES)				
Transfers in	25,106	25,106	25,106	-
Transfers out	(6,421,878)	(6,510,478)	(6,221,323)	289,155
Capital leases	-	-	40,364	40,364
Total other financing sources (uses)	(6,396,772)	(6,485,372)	(6,155,853)	329,519
Net change in fund balance	(3,522,481)	(3,032,026)	(3,252,975)	(220,949)
Fund balances at beginning of year	18,683,425	18,683,425	18,683,425	-
Fund balance at end of year	\$ 15,160,944	\$ 15,651,399	\$ 15,430,450	\$ (220,949)

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statement of Net Position – Proprietary Funds
September 30, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Other Proprietary Funds	Total	
ASSETS				
Current assets				
Cash	\$ 11,442,957	\$ 582,868	\$ 12,025,825	\$ 1,999,945
Investments	3,112,533	400,000	3,512,533	-
Receivables (net of allowance for uncollectible):				
Accounts	1,868,193	99,061	1,967,254	77,860
Accrued interest	15,008	-	15,008	-
Other government agencies	164,014	-	164,014	121,052
Due from other funds	148,099	-	148,099	21
Inventory	535,396	-	535,396	29,708
Prepaid expenses	83,206	-	83,206	-
Net investment in direct financing lease	15,626	-	15,626	-
Total current assets	17,385,032	1,081,929	18,466,961	2,228,586
Noncurrent assets				
Restricted assets				
Cash	65,009	-	65,009	-
Investments	700,000	-	700,000	-
Accrued interest	30,109	1,715	31,824	-
Accounts receivable	-	-	-	-
Total restricted assets	795,118	1,715	796,833	-
Other noncurrent assets				
Prepaid capital improvement deposits	824,997	-	824,997	-
Net investment in direct financing lease	254,049	-	254,049	-
Total other noncurrent assets	1,079,046	-	1,079,046	-
Capital assets (net of accumulated depreciation)				
Land	1,438,195	-	1,438,195	-
Buildings	873,639	-	873,639	-
Improvements other than buildings	49,218,504	-	49,218,504	-
Machinery and equipment	2,170,411	-	2,170,411	-
Property under capital leases	7,063,076	-	7,063,076	-
Construction in progress	2,134,412	-	2,134,412	-
Total capital assets	62,898,237	-	62,898,237	-
Total noncurrent assets	64,772,401	1,715	64,774,116	-
TOTAL ASSETS	82,157,433	1,083,644	83,241,077	2,228,586
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	1,787,497	-	1,787,497	-
TOTAL DEFERRED OUTFLOWS ON RESOURCES	1,787,497	-	1,787,497	-

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Other Proprietary Funds	Total	
LIABILITIES				
Current liabilities				
Accounts payable	\$ 518,938	\$ 76,772	\$ 595,710	\$ 611,194
Construction contracts payable	41,121	-	41,121	-
Accrued liabilities	39,670	348	40,018	11,631
Accrued interest	16,861	-	16,861	-
Due to other funds	-	144,084	144,084	928
Other payables	52,257	-	52,257	-
Accrued compensated absences – current	49,053	-	49,053	-
Revenue bonds – current	260,000	-	260,000	-
Obligations under capital leases – current	439,448	-	439,448	-
Total current liabilities	<u>1,417,348</u>	<u>221,204</u>	<u>1,638,552</u>	<u>623,753</u>
Noncurrent liabilities				
Customer deposits	715,434	-	715,434	-
Capital improvement deposits	584,138	862,440	1,446,578	-
Accrued compensated absences	382,754	-	382,754	-
Net pension and other postemployment liabilities	6,128,815	-	6,128,815	-
Revenue bonds	2,123,497	-	2,123,497	-
Obligations under capital leases	2,427,191	-	2,427,191	-
Total noncurrent liabilities	<u>12,361,829</u>	<u>862,440</u>	<u>13,224,269</u>	<u>-</u>
TOTAL LIABILITIES	<u>13,779,177</u>	<u>1,083,644</u>	<u>14,862,821</u>	<u>623,753</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows from pensions	306,200	-	306,200	-
Deferred pension inflows from other post emp benefits	1,257,319	-	1,257,319	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,563,519</u>	<u>-</u>	<u>1,563,519</u>	<u>-</u>
NET POSITION (DEFICIT)				
Net invested in capital assets	58,371,989	-	58,371,989	-
Unrestricted	10,230,245	-	10,230,245	1,604,833
TOTAL NET POSITION	<u>\$ 68,602,234</u>	<u>\$ -</u>	<u>68,602,234</u>	<u>\$ 1,604,833</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.			<u>320,967</u>	
Net position of business-type activities			<u>\$ 68,923,201</u>	

City of Texarkana, Texas
Statement of Revenues, Expenses and Changes in
Net Position – Proprietary Funds
Year Ended September 30, 2019

	<u>Business -type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Texarkana, Texas Water Utilities</u>	<u>Other Proprietary Funds</u>	<u>Total</u>	
OPERATING REVENUES				
Water sales	\$ 6,284,996	\$ 1,129,461	\$ 7,414,457	\$ -
Wholesale water sales	2,190,011	-	2,190,011	-
Water connection fees	7,671	-	7,671	-
Sewer charges	6,585,754	-	6,585,754	-
Penalties and service charges	571,003	-	571,003	-
Insurance contributions		-	-	6,112,180
Fleet services		-	-	147,391
Other income	1,206,016	-	1,206,016	29,319
Total operating revenues	<u>16,845,451</u>	<u>1,129,461</u>	<u>17,974,912</u>	<u>6,288,890</u>
OPERATING EXPENSES				
Administrative	340,325	-	340,325	-
Finance	950,771	-	950,771	-
Customer service	547,357	-	547,357	-
Water production	3,015,694	-	3,015,694	-
Water distribution	684,794	-	684,794	-
Sewer collection	688,713	-	688,713	-
Wastewater treatment	2,726,325	-	2,726,325	-
Environmental service	204,401	-	204,401	-
Engineering design	407,661	-	407,661	-
Geographical information systems	197,319	-	197,319	-
Composting	220,923	-	220,923	-
Operations administration	168,761	-	168,761	-
Service center	235,928	-	235,928	-
Safety		-	-	-
Field service	348,715	-	348,715	-
Construction oversight	868,235	-	868,235	-
Benefit payments		-	-	6,794,238
Fleet services		-	-	1,197,619
Depreciation	3,463,323	-	3,463,323	-
Other expenses	419,375	-	419,375	-
Contract water & sewer expense-International Paper	409,607	1,130,344	1,539,951	-
Total operating expense	<u>15,898,227</u>	<u>1,130,344</u>	<u>17,028,571</u>	<u>7,991,857</u>
Operating income (loss)	<u>947,224</u>	<u>(883)</u>	<u>946,341</u>	<u>(1,702,967)</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

Business-type Activities - Enterprise Funds				
	Texarkana, Texas Water Utilities	Other Proprietary Funds	Total	Governmental Activities - Internal Service Funds
NONOPERATING REVENUES (EXPENSES)				
Interest revenue – investments	\$ 321,740	\$ 883	\$ 322,623	\$ 51,899
Interest revenue – capital leases	7,804	-	7,804	-
Interest expense	(105,173)	-	(105,173)	-
Interest expense – capital leases	(85,114)	-	(85,114)	-
Gain (loss) on disposal of capital assets	(30,366)	-	(30,366)	-
Total nonoperating revenues (expenses)	<u>108,891</u>	<u>883</u>	<u>109,774</u>	<u>51,899</u>
Income (loss) before transfers	1,056,115	-	1,056,115	(1,651,068)
Transfers in	-	-	-	860,265
Transfers out	<u>(18,900)</u>	<u>-</u>	<u>(18,900)</u>	<u>(2,778)</u>
Change in net position	1,037,215	-	1,037,215	(793,581)
Total net position, beginning of year	<u>67,565,019</u>	<u>-</u>		<u>2,398,414</u>
Total net position, end of year	<u>\$ 68,602,234</u>	<u>\$ -</u>		<u>\$ 1,604,833</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue/expenses of certain internal service funds is reported with business-type activities.			<u>(166,604)</u>	
Change in net position of business-type activities			<u>\$ 870,611</u>	

City of Texarkana, Texas
Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Other Proprietary Funds	Total	
Cash Flows from Operating Activities				
Cash received from customers	\$ 17,267,281	\$ 1,078,270	\$ 18,345,551	\$ 6,257,400
Cash received from interfund services provided and used	-	-	-	208,436
Cash paid to suppliers	(10,838,181)	(898,202)	(11,736,383)	(7,645,574)
Cash paid to employees	(2,221,621)	-	(2,221,621)	(347,528)
Net cash provided from (used by) from operating activities	<u>4,207,479</u>	<u>180,068</u>	<u>4,387,547</u>	<u>(1,527,266)</u>
Cash Flows from Noncapital Financing Activities				
Transfers to other funds	(18,900)	-	(18,900)	(2,778)
Transfers in from other funds	-	-	-	860,265
Net cash provided from (used by) noncapital financing activities	<u>(18,900)</u>	<u>-</u>	<u>(18,900)</u>	<u>857,487</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(1,445,505)	-	(1,445,505)	-
Principal paid on bonds	(249,793)	-	(249,793)	-
Interest paid on bonds	(106,723)	-	(106,723)	-
Principal paid on capital leases	(440,990)	-	(440,990)	-
Interest paid on capital leases	(85,114)	-	(85,114)	-
Principal received on direct financing leases	14,980	-	14,980	-
Interest received on direct financing leases	7,804	-	7,804	-
Capital improvement deposits paid	-	(47,358)	(47,358)	-
Capital improvement deposits received	498,281	-	498,281	-
Interest received on capital improvement deposits	-	6,648	6,648	-
Net cash used by capital and related financing activities	<u>(1,807,060)</u>	<u>(40,710)</u>	<u>(1,847,770)</u>	<u>-</u>
Cash Flows from Investing Activities				
Purchase of investments	(1,250,000)	-	(1,250,000)	-
Proceeds from sale and maturities of investments	3,092,467	-	3,092,467	-
Interest received on investments	360,945	883	361,828	51,899
Net cash provided by from investing activities	<u>2,203,412</u>	<u>883</u>	<u>2,204,295</u>	<u>51,899</u>
Net increase (decrease) in cash	4,584,931	140,241	4,725,172	(617,880)
Cash, beginning of year	<u>6,923,035</u>	<u>442,627</u>	<u>7,365,662</u>	<u>2,617,825</u>
Cash, end of year	<u>\$ 11,507,966</u>	<u>\$ 582,868</u>	<u>\$ 12,090,834</u>	<u>\$ 1,999,945</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Other Proprietary Funds	Total	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided from (Used By) Operating Activities</u>				
Operating Income (Loss)	\$ 947,224	\$ (883)	\$ 946,341	\$ (1,702,967)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from (Used By) Operating Activities				
Depreciation expense	3,463,323		3,463,323	-
(Increase) decrease in assets				
Accounts receivable	404,156	(51,191)	352,965	17,729
Due from other government agencies	5,134	-	5,134	(118,664)
Due from other funds	(76,836)	352,384	275,548	(21)
Inventory	37,306	-	37,306	(3,734)
Prepaid expenses	(32,254)	-	(32,254)	-
(Increase) decrease in deferred outflows	(631,335)	-	(631,335)	-
Increase (decrease) in liabilities				
Accounts payable	(22,710)	(151,315)	(174,025)	276,974
Accrued liabilities	(177,923)	(4,671)	(182,594)	2,489
Due to other funds	(375,581)	81,205	(294,376)	928
Accrued compensated absences	31,415	-	31,415	-
Customer deposits	12,540	-	12,540	-
Net pension and other postemployment liabilities	941,252	-	941,252	-
Other payables	1,579	(45,461)	(43,882)	-
Increase (decrease) in deferred inflows	(319,811)	-	(319,811)	-
Total adjustments	3,260,255	180,951	3,441,206	175,701
Net cash provided from (used by) from operating activities	\$ 4,207,479	\$ 180,068	\$ 4,387,547	\$ (1,527,266)

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statement of Fiduciary Net Position – Fiduciary Funds
September 30, 2019

	Firemen's Relief Pension Trust Fund 12/31/2018	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 861,819	\$ 21,153
Receivables		
Interest and dividends	56,680	-
Investments, at fair value		
Mutual funds	19,378,547	-
Government and Agency securities	5,273,203	-
Corporate bonds	550,859	-
Foreign bonds	1,364,859	-
Common stocks	3,896,662	-
Other assets	6,412	-
TOTAL ASSETS	<u>31,389,041</u>	<u>21,153</u>
LIABILITIES		
Accrued expenses	<u>33,526</u>	<u>21,153</u>
TOTAL LIABILITIES	<u>33,526</u>	<u>21,153</u>
NET POSITION		
Net position – restricted for pension benefits	<u>31,355,515</u>	-
TOTAL NET POSITION	<u>\$ 31,355,515</u>	<u>\$ -</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statement of Changes in Fiduciary Net Position – Fiduciary Fund
September 30, 2019

	Firemen's Relief Pension Trust Fund 12/31/2018
ADDITIONS	
Contributions	
Employer	\$ 838,370
Members	581,331
Total contributions	<u>1,419,701</u>
Investment income (loss)	
Interest and dividend income	896,857
Depreciation in fair value of investments	(2,690,184)
Less investment expense	<u>(189,643)</u>
Net investment loss	(1,982,970)
Other income	<u>2,008</u>
TOTAL ADDITIONS	<u>(561,261)</u>
DEDUCTIONS	
Benefits paid to participants	2,262,199
Refunds and drop payments	567,741
Administrative expenses	<u>72,289</u>
TOTAL DEDUCTIONS	<u>2,902,229</u>
Change in net position	(3,463,490)
Net position at beginning of year	<u>34,819,005</u>
Net position at end of year	<u><u>\$ 31,355,515</u></u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The City of Texarkana, Texas was incorporated on April 5, 1960 under the provisions of Vernon's Civil Statutes Article 1175 (1) as amended (Home Rule Enabling Act). The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the City of Texarkana, Texas (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. TIRZ Advisory Board is a blended component unit of the city. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column of the financial statements to emphasize it is legally separate from the government.

Discretely Presented Component Unit. The Texarkana-Bowie County Family Health Center, a public health district as established under Texas Civil Statutes, was organized by a cooperative agreement between the City and Bowie County, Texas. Because 7 of the 12 members of the governing body serve by virtue of the position each holds with the primary government, management has concluded that the primary government effectively appoints a voting majority of the governing body. Management believes that failure to include the Health Center would render the City's financial statements incomplete or misleading. The remaining 5 members of the Health Center governing body are the Bowie County Commissioners Court members. The City provides the facilities, a majority of the operating funds, and fiscal management of the Center. The City contributed \$153,348 towards the Health Center's operations during the year ended September 30, 2019. The Health Center does not have separately issued financial statements.

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointment. The City Council or specific committees of the City Council appoint members of the following organizations: Board of Adjustment, Ark-Tex Council of Governments, Building Code Revision Committee, Building and Standards Commission, Civil Service Commission, CDBG Citizens Advisory Committee, Electrical Examining Board, Health Facilities Development Corporation, Historic Landmark Preservation Commission, Hospital Authority Board of Directors, Texarkana Housing Authority, Housing Finance Corporation, Industrial Development Corporation, Intergovernmental Advisory Committee, Library Commission, Northeast Texas Mental Health/Mental Retardation (MHMR) Board of Trustees, Permit and License Appeal Board, Planning and Zoning Commission, Plumbing Appeals and Advisory Board, Public Responsibility Committee, and Tax Increment Reinvestment Zone Boards. Positions on these boards are appointed in certain instances in entirety, partially, or with City Board members.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Joint Ventures

Texarkana Airport Authority

The City is a participant with Texarkana, Arkansas in a joint venture to operate Texarkana Regional Airport. The Texarkana Airport Authority was created in 1956 by ordinance enacted by the two cities. The governing body of Texarkana Airport Authority consists of eight members, four of whom are residents of Texarkana, Texas and four of whom are residents of Texarkana, Arkansas. These board members are appointed by the mayors of the respective Cities. The Airport Authority Board has governance responsibilities over all activities relating to operating and maintaining the Texarkana Regional Airport. The Board receives funding from airport operations and from various local, state, and federal agencies and must comply with any requirements of these funding sources.

In previous years, the cities have made contributions of assets to the Airport Authority of \$2,017,249 by Texarkana, Texas and \$2,005,657 by Texarkana, Arkansas. During the Airport Authority's fiscal year ended December 31, 2018, the City of Texarkana, Texas contributed \$107,250 and the City of Texarkana, Arkansas contributed \$98,750. The City of Texarkana, Texas' net investment in the Airport Authority is reported in the City's financial statements with governmental activities capital assets. The City's equity interest in the Airport Authority was \$12,338,214 at December 31, 2018. Complete financial statements for the Authority can be obtained from the Texarkana Airport Authority's administrative office.

Bi-State Justice Center

The City is also a participant in a joint venture in the Bi-State Justice Center with the City of Texarkana, Arkansas and Bowie County, Texas. The Bi-State Justice Center is jointly occupied by law enforcement and criminal justice agencies of the City of Texarkana, Texas; the City of Texarkana, Arkansas; and Bowie County, Texas. The facility is located on the state line, half in Texarkana, Texas and half in Texarkana, Arkansas. The Intergovernmental Advisory Committee is responsible for the operations of the Center. This seven-member committee is comprised of two members from the City of Texarkana, Texas City Council, two members from the Texarkana, Arkansas Board of Directors, the Bowie County Judge, one Bowie County Commissioner, and one independent member. The Center accounts only for the operations of its own law enforcement and criminal justice agencies. The annual budget is underwritten by the participating entities based on a formula which uses floor space occupied, number of records processed by the Building Information Center and the number of prisoners in the detention facility for each entity. Each year's revenues and expenditures are equal; therefore, there is never a net income or loss and no fund balance.

The City of Texarkana, Texas' net investment, which consists of capital outlay in the Bi-State Justice Center, is reported in the City's financial statements with governmental activities capital assets. The City's equity interest at September 30, 2019 was \$411,701 based on the Bi-State Justice Center's audited financial statements at December 31, 2018 (the latest available). Complete financial statements for the Bi-State Justice Center can be obtained from the City of Texarkana, Arkansas Finance Department.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Bowie Central Appraisal District

The City is a participant with the other taxing jurisdictions of Bowie County in the Bowie Central Appraisal District. The Appraisal District is responsible for appraising property for ad valorem purposes for each taxing unit that imposes ad valorem taxes on property in the County. In July 1986, the Appraisal District began collecting taxes for some of the jurisdictions. The Bowie Central Appraisal District is governed by a board of directors chosen by vote of the governing bodies of the taxing jurisdictions. Board members serve two-year terms. The taxing jurisdictions of Bowie County have both an ongoing financial responsibility and financial interest in the Appraisal District.

The City of Texarkana, Texas' net investment in this joint venture is reported in the City's financial statements in the General Fund since the joint venture does not represent equity primarily in capital assets. The City's equity interest at September 30, 2019 was \$88,838 based on the Appraisal District's audited financial statements at December 31, 2018 (the latest available). Complete financial statements for the Appraisal District can be obtained from the Bowie Central Appraisal District in New Boston, Texas.

Texarkana Urban Transportation Study (TUTS)

The City of Texarkana, Texas is a participant with seven other entities in the Texarkana Urban Transportation Study (TUTS) Policy Committee, which is the designated metropolitan planning organization (MPO) for the Texarkana urbanized area. The MPO develops transportation plans and programs in cooperation with the participating entities and transit agencies. The governing body of the TUTS consists of fourteen members, three of whom are representatives of the City of Texarkana, Texas; three of whom are representatives of the City of Texarkana, Arkansas; the Bowie County Judge, the Miller County Judge, the Mayor of the City of Wake Village, Texas; the Mayor of the City of Nash, Texas; two representatives for the Arkansas State Highways and Transportation Department; and two representatives for the Texas Department of Transportation. The TUTS may receive federal, state, and local funding for metropolitan transportation planning for the integrated network of federal, state, and local roads and highways. The City has an ongoing financial responsibility of the TUTS since its continued existence depends on continued funding by the City.

The City of Texarkana, Texas' net investment in the joint venture is reported in the City's financial statements in the General Fund since the joint venture does not represent equity primarily in capital assets. The City's interest at September 30, 2019 was \$0 based on the Texarkana Urban Transportation Study Policy Committee's financial records at September 30, 2019. The TUTS does not have separately issued financial statements for the year ended September 30, 2019.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Texarkana Urban Transit District

The City of Texarkana, Texas is a participant with three other cities in the Texarkana Urban Transit District (TUTD). The purpose of the TUTD will be to provide public transportation services within the Texarkana urban area. Composition of the Transit District Board is as follows: the City of Texarkana, Texas - three members, one of whom is an elected official; the City of Texarkana, Arkansas - three members, one of whom is an elected official; the City of Wake Village, Texas - two members, one of whom is an elected official; and the City of Nash, Texas - two members, one of whom is an elected official. The TUTD receives federal, state, and local funding, as well as user charges generated by the public transportation system. The City has an ongoing financial responsibility of the TUTD since its continued existence depends on continued funding by the City.

The City of Texarkana, Texas' net investment in the joint venture is reported in the City's financial statements within governmental activities. The City's interest at September 30, 2019 was \$1,627,391 based on the Texarkana Urban Transit District's audited financial statements at September 30, 2018 (the latest available). Complete financial statements for the TUTD can be obtained from the ATCOG Finance Department in Texarkana, Texas.

Government-wide and Fund Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component unit. The effect of interfund activity has been removed from these statements. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services. Similarly, the primary government is reported separately from legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds as well as fiduciary funds even though they are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements, with the exception of agency fund. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded when payment is due.

Revenue sources such as property taxes, sales tax, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service - This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs of all of the City's long-term general obligation debt of governmental funds and has been designated as a major fund.

The City reports the following major proprietary fund:

Texarkana, Texas Water Utilities- This fund is used to account for water and sewer services provided to the citizens of Texarkana, Texas and other incorporated and unincorporated areas adjacent to the City.

Additionally, the City reports the following types of funds:

Internal Service Funds - These funds are established to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has two internal service funds. The Employee Benefit fund is used to account for employee medical benefits and life insurance premiums for covered City employees. The Fleet Services fund is used to account for the repair and maintenance of all vehicles and equipment owned by the City except for the Water Utilities.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Pension Trust Fund - This fund is established to account for the accumulation of resources to provide pension benefits to the City's firemen. The principal revenue sources for this fund are employer and employee contributions and investment earnings. This fund has a separate audit and has a December 31 year end.

Agency Funds - These funds are used to account for evidence money seized by the police department and held in escrow until the court directs its disposition.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. All taxes are included as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Texarkana, Texas Water Utilities, as well as the City's internal service funds are charges to customers for sales and services. Texarkana, Texas Water Utilities also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Deposits and investments

The City's cash and cash equivalents include amounts in demand and time deposit accounts. The City classifies all certificates of deposit as investments. State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

The Firemen's Relief and Pension Trust Fund is authorized to invest in bonds or other interest-bearing obligations and securities of the United States, the State of Texas, or any county, city or other political subdivision of the State of Texas; in insured shares or share accounts of savings and loan associations; in insured first lien real estate mortgage securities and in selected corporation bonds, preferred stocks, and common stocks.

Investments for the City and its component unit are reported at fair value. Short-term investments, such as certificates of deposit and debt securities with a maturity date of less than one year, are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

For purposes of the statement of cash flows, the proprietary funds consider cash in bank, money market and savings accounts as cash and cash equivalents. All certificates of deposit and investments in other securities and instruments are considered to be investments.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as either "due to/from other funds (i.e. the current portion of interfund loans) or "advances to/from other funds (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the City's governmental activities and business type activities are reported in the government-wide financial statements as "internal balances".

All trade and property taxes receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 98 percent of outstanding property taxes as of September 30, 2019.

Property taxes are levied each October 1 and may be paid without penalty until January 31. A penalty is added to payments received February 1 through June 30. Optionally, taxes may be paid in two installments, one-half due November 30 and one-half due June 30. A 15% penalty is added to taxes remaining delinquent on July 1 and an enforceable lien attaches July 1. As of July 6, 1986, the Bowie Central Appraisal District assumed the billing and collection function for property taxes for the City of Texarkana and other cities and schools, and Bowie County under an intergovernmental agreement.

The Texas Constitution limits the City's ad valorem tax rate for all purposes to \$2.50 per one hundred dollars of assessed valuation. Ad valorem tax revenue during the year ended September 30, 2019 was levied using a rate of \$.700000 per hundred dollars of assessed valuation, based on 100% of estimated market value, which means that the City has a tax margin of \$1.800000 per \$100 and could raise taxes up to an additional \$46,881,240 a year from the present assessed valuation of \$2,604,513,311 before the limit is reached.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Inventories and Prepaid Items

Inventories of the governmental funds are valued at cost using the average cost method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Inventories of the enterprise funds are valued at average cost or market whichever is lower. Inventories consist of repair materials and spare parts for water and wastewater treatment and distribution.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Each of the enterprise funds report such proceeds of revenue bond issuances that are restricted for use in construction, debt service, and capital maintenance. Restricted assets also include interest accrued on unexpended bond proceeds.

Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns of the government-wide financial statements.

Governmental activities and health component unit:

Capital assets are defined by governmental activities and the health component unit as assets with a normal service life greater than one year and an initial individual cost of more than the following amounts:

Land	\$	-
Buildings		5,000
Improvements other than buildings		5,000
Infrastructure		5,000
Machinery and equipment		5,000
Licensed vehicles		5,000

Such assets are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

City of Texarkana, Texas

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The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government as well as the component unit is depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Furniture and fixtures	20 years
Licensed vehicles	8 years
Machinery and equipment	5 to 20 years
Communication equipment	10 years
Building	25 to 50 years
Infrastructure	10 to 60 years

Business-type Activities

Capital assets are defined by business type activities as assets with an initial, individual cost of more than the following amounts and an estimated life in excess of one year.

Furniture and fixtures	\$ 300
Licensed vehicles	1,000
Mobile equipment	1,000
Machinery and equipment	500
Communication equipment	500
Pumps and purification equipment	1,000
Building and facilities	1,000
New improvements	1,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Furniture and fixtures	5 years
Licensed vehicles	5 years
Mobile equipment	5 years
Machinery and equipment	5 to 10 years
Communication equipment	5 years
Pumps and purification equipment	10 years
Buildings	10 to 50 years
Water and sewer systems	12 to 99 years

Compensated Absences

The City allows employees to accumulate earned but unused vacation and sick pay benefits. The City's full-time employees are granted 120 hours of vacation and 120 hours of sick leave per year of continuous service, with the exception of firemen who can accrue up to 168 hours vacation and 168 hours of sick leave per year. A maximum of 200 hours of accrued vacation leave can be vested and carried forward to succeeding calendar years, with the exception of firemen who can accrue 280 hours. All accrued sick leave credited to an employee can be carried forward to succeeding calendar years without limitation. A maximum of 120 hours accrued vacation is payable to an employee upon termination after one year of continuous service, except in cases of involuntary separation from service. Upon retirement, employees shall receive pay for any unused vacation leave accumulated up to 240 hours. Fire operations shall receive vacation pay up to 336 hours. A summary of maximum sick leave payable is as follows:

Civil/Non-Civil Service	Hire Date	Eligible for Retirement	Work Week Hours	Total Maximum Hours Accrued
Non-Civil	Prior to 1/1/10	Yes	N/A	1,440
Non-Civil	After 1/1/10	Yes	N/A	720
Civil – Police	Prior to 1/1/10	Yes	N/A	1,440
Civil – Police	After 1/1/10	Yes	N/A	720
Civil – Police	N/A	No	N/A	720
Civil – Fire	Prior to 1/1/10	Yes	56	2,016
Civil – Fire	After 1/1/10	Yes	56	1008
Civil – Fire	Prior to 1/1/10	Yes	40	1440
Civil – Fire	After 1/1/10	Yes	40	720
Civil – Fire	N/A	No	56	1,008
Civil – Fire	N/A	No	40	720

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The City is funding part of its liability through annual allocations and transfers to separate accounts. Allocations, set annually by the City Council, are for employee termination payments.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, as reported as debt service expenditures.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balances may be restricted or unrestricted (the total of committed, assigned, and unassigned fund balance). The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Fund balance for governmental funds can consist of the following:

Non-spendable fund balance - includes those amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term notes receivable.

Restricted fund balance - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

City of Texarkana, Texas

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Committed fund balance - includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance - includes amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has taken action to assign fund balance for specific purposes in the current fiscal year. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily, in other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance - The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple funds balance classifications fund balance is depleted in the order of restricted, committed, assigned and unassigned.

The City's general fund balance policy establishes an unassigned fund balance goal of 25-35% of general fund expenditures, exclusive of capital outlay and debt expenditures. The City will compute the percentage of unassigned fund balance after the annual audit has been presented to the City Council. In emergency situations, the City Council may appropriate unassigned fund balance even if such use decreases the fund balance below the established minimum. If unassigned fund balance falls below the goal or has a deficiency, the City will implement a plan to replenish the fund within one year or as soon as economic and budgetary conditions allow.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

City of Texarkana, Texas

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Encumbrances

Encumbrance accounting is employed in the governmental fund types in the fund financial statements. Purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation. Any purchase orders open at the end of the fiscal year are closed out and new purchase orders are issued in the subsequent fiscal year, if needed.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category. They are the deferred pension outflows, deferred outflows from other postemployment benefits and the deferred charge on refunding reported in the statement of net position. The deferred pension outflows include the amount of contributions made by the City after the liability measurement date but prior to the City year end, and for the difference in the projected and actual earnings on pension plan investments, the difference in actual and expected experience and the assumption changes. The deferred outflows from other postemployment benefits are the change of assumptions. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. Accordingly, the deferred pension inflows consists of the difference in expected and actual experience and the assumption changes. The deferred inflows from other postemployment benefits is the differences between the expected and actual experience.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the respective retirement plan and additions to/deductions from the respective Fiduciary Net Position have been determined on the same basis as they are reported by the respective pension plan. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Texarkana, Texas

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September 30, 2019

Postemployment Benefits Other Than Pension (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Health Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Note 2: Stewardship, Compliance and Responsibility

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General fund and all special revenue funds. Debt service funds do not have legally adopted budgets because effective budgetary control is alternately achieved through general obligation bond indenture provisions. In addition to the above-mentioned funds, the capital projects funds have legally adopted project-length budgets. All budget annual appropriations lapse at year-end and are re-established in the succeeding year.

By June of each year, all agencies of the City submit requests for appropriation to the City Manager so that a budget may be prepared. Prior to August 1, the City Manager submits a proposed operating budget for the fiscal year commencing the following October 1 to the City Council. After official journal notification, the City Council conducts public hearings to obtain taxpayer comments. A final budget must be prepared and legally adopted through the passage of an ordinance no later than September 1.

The appropriated budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Council may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Council. The City Charter prohibits budgeting total proposed expenditures in excess of total anticipated revenues and any unencumbered funds from prior years; therefore, expenditures may not legally exceed revenues and unencumbered fund balances from prior years. The legal level of budgetary control (i.e., the lowest level at which expenditures may not legally exceed appropriation) is the fund level.

The Council made several supplemental budgetary appropriations throughout the year. Individual amendments were not material in relation to the original appropriations. Comparison of budgeted and actual amounts as shown in the accompanying financial report includes the General Fund and Special Revenue Funds. The capital budget ordinances which encompass the Capital Projects Funds present cumulative (by project) as opposed to annual budget amounts and thus budget and actual comparisons are not reported in the accompanying financial report for these funds.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Excess of Expenditures Over Appropriations

The expenditures in the NEA Grant Fund exceeded appropriations by \$6,213. The expenditures in the NRDA Grant exceeded appropriations by \$72.

Deficit Fund Equity

The COC Homeless Grant fund had a deficit fund balance of \$37,335. The Emergency Solutions Grant fund had a deficit balance of \$1,597. The Farmers Market Fund had a deficit balance of \$33,541. The Trail Grant fund had a deficit balance of \$48,276.

Encumbrances

As discussed in the Summary of Significant Accounting Policies, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Fund	Amount
General	\$ 274,940
TIRZ #1	226,464
Housing and Community Development Grant	49,912
EPA Revolving Loan Grant	627,608
COC Homeless Assistance Grant	602,832
Trail Grant Fund	4,554
Fleet Services Fund	15,650
Total	<u>\$ 1,801,960</u>

Note 3: Deposits and Investments

Deposits

At September 30, 2019, the carrying amount of the primary government, agency fund and component unit's cash was \$34,780,702 and the respective bank balances totaled \$ 35,668,220.

Investments

For fiscal year 2019, the City invested in non-negotiable certificates of deposits measured at amortized costs. The City records all interest revenue related to investment activities in the respective funds. As of September 30, 2019, the carrying amount of the Utility's certificates of deposits reported as investments totaled \$8,988,410.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the investment portfolio as follows:

<u>Investment Type</u>	<u>Not to Exceed</u>
U.S. Government agencies	80%
Fully insured or collateralized CD's	100%
Banker's acceptances	15%
Commercial paper	15%
Maximum per commercial paper issuer	5%
Repurchase agreements	50%
Money market funds	
Operating funds	100%
Bond funds	100%
Local government investment pools	80%
Maximum percent ownership of pool	10%
Maximum percent investment in any one pool	50%

The City's investment policy covers all funds except for the Firemen's Relief and Pension fund. The City's investment policy requires that the average maturity of the City's operating funds not exceed one year. The maximum final stated maturity of any investment shall not exceed five years. Investments in all funds shall be managed in such a way that the market price losses resulting from interest rate volatility would be offset by coupon income and current income received from the volume of the portfolio during a twelve-month period.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the following guidelines reflect the Firemen's Relief and Pension fund Board's asset allocation goals for the Firemen's Relief and Pension plan:

<u>Portfolio Segment</u>	<u>Range of Portfolio Assets</u>
Equity securities	40-75%
Fixed income securities	25-60%
Cash equivalents	0-20%

The Firemen's Relief and Pension plan's investment policy requires that foreign equity investments cannot exceed 25% of the total portfolio and prohibits investment in any security payable in foreign currency.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

In accordance with GASB Statement No. 72 *Fair Value Measurement and Application*, investments are recorded at fair value. In accordance with GASB Statement 72, the Firemen's Relief and Pension plan categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Common stock and mutual funds are categorized as Level 1. The remaining investments are categorized as Level 2.

The Firemen's Relief and Pension fund investments are summarized below:

Cash and Cash Equivalents

Cash	\$ 14,473
Money market funds	847,346

Investments

Mutual funds	19,378,547
Government & agency funds	5,273,203
Corporate bonds	550,859
Foreign bonds	1,364,859
Common stocks	3,896,662
Total investments	<u>30,464,130</u>
Total investments and cash and cash equivalents	<u>\$ 31,325,949</u>

The City, including the Utility and the component units, do not have any debt security investments, other than in the Firefighter's Relief and Pension Fund, which are exposed to interest rate risk.

As of December 31, 2018, the City's Firefighter's Relief and Pension fund had the following debt security investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
<i>Fire Pension Fund</i>					
Government & agency securities	\$ 5,273,203	\$ 49,600	\$ 2,832,221	\$ 1,175,454	\$ 1,215,928
Corporate bonds	550,859	-	53,288	174,378	323,193
Foreign bonds	1,364,859	76,426	1,288,433	-	-
	7,188,921	<u>\$ 126,026</u>	<u>\$ 4,173,942</u>	<u>\$ 1,349,832</u>	<u>\$ 1,539,121</u>
Mutual funds	19,378,547				
Common stocks	<u>3,896,662</u>				
	\$ 30,464,130				

For the year ended December 31, 2018 the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was (5.81%). The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The credit quality ratings of the debt security investments held by the Firefighter's Relief and Pension Fund were unavailable at December 31, 2018.

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Notes to Financial Statements

September 30, 2019

Custodial Credit Risk

For a deposit, custodial credit risk is the risk that, in the event of a failure of a depository institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Of the primary government, agency fund and the component unit's categorizable bank deposits of \$35,647,067, none were uninsured and uncollateralized.

The City's policy on custodial credit risk requires that all deposits and investments of City funds other than direct purchases of U.S. Treasuries or Agencies shall be secured by pledged collateral at a level of 102% of the market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC or FSLIC. The City's policy also requires that collateral pledged to secure the deposits of the City be held by a safekeeping institution, or Trustee, such as the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral.

Credit Risk

The City is authorized to invest in obligations of the U.S. Government or the State of Texas, obligations of states, counties, cities, or other political subdivisions with a quality rating of not less than A. The City is also authorized to invest in (a) certificates of deposit of banks insured by FDIC, National Credit Union Share Insurance, or secured by mortgage-backed securities rated AAA, (b) fully collateralized direct repurchased agreements with a defined termination date secured by obligations of the U.S. government, (c) investment pools, not to exceed 80% of the City's portfolio, and rated no lower than AAA or AAA-m, with a weighted average maturity of 90 days or less, (d) money market mutual funds that have a rating of AAA and a weighted average maturity of 90 days or less, (e) banker's acceptances with a stated maturity of 270 days or less and rated not less than A-1 or P-1 and is fully secured by an irrevocable letter of credit issued by a bank, (f) guaranteed investment contracts, for bond proceeds only, if such contracts have a defined termination date, and are secured by U.S. Government Obligations.

The Firemen's Plan did not hold investments in any one organization that represented five percent or more of the Plan's fiduciary net position.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. In order to minimize foreign currency risk, the City's Firemen's Relief and Pension funds invests in a well-diversified fund. At December 31, 2018, the City's Firemen's Relief and Pension fund had fixed income securities of \$1,364,859 invested in foreign obligations with Seacrest Investment Management, LLC. The Seacrest investments are comprised of the following investments at December 31, 2018:

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

	<u>Fair Value</u>
Austria	\$ 100,374
Canada	373,093
El Salvador	44,238
Germany	55,462
Mexico	127,354
Netherlands	53,957
Philippines	100,880
Poland	77,825
South Africa	195,180
Turkey	127,406
Venezuela	11,596
Supranational	97,494
Total	<u>\$ 1,364,859</u>

Note 4: Receivables

Receivables as of year-end for the City's individual major funds and nonmajor funds, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Texarkana, Texas Water Utilities</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables					
Property taxes	\$ 799,907	\$ 239,810	\$ -	\$ 717,857	\$ 1,757,574
Other taxes	356,671	-	-	213,148	569,819
Accounts	49,171	38,446	1,958,356	279,099	2,325,072
Intergovernmental	3,317,866	-	148,098	496,262	3,962,226
Interest	3,651	-	15,008	68,532	87,191
Loans	-	-	-	1,380,109	1,380,109
Restricted accounts	-	-	-	237,604	237,604
Restricted interest	-	-	30,109	1,715	31,824
Gross receivables	4,527,266	278,256	2,151,571	3,394,326	10,351,419
Less: allowance for uncollectibles	(11,119)	(3,334)	(74,247)	(795,252)	(883,952)
Net total receivables	<u>\$ 4,516,147</u>	<u>\$ 274,922</u>	<u>\$ 2,077,324</u>	<u>\$ 2,599,074</u>	<u>\$ 9,467,467</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Notes to Financial Statements
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Note 5: Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Balance October 1, 2018	Additions	Deletions	Transfers	Balance September 30, 2019
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 12,386,733	\$ -	\$ (179,855)	\$ -	\$ 12,206,878
Construction in progress	6,350,166	780,635	-	(1,368,671)	5,762,130
Total capital assets, not being depreciated	<u>18,736,899</u>	<u>780,635</u>	<u>(179,855)</u>	<u>(1,368,671)</u>	<u>17,969,008</u>
Capital assets, being depreciated					
Buildings	33,457,662	23,003	-	-	33,480,665
Improvements other than buildings	9,476,270	-	(2,109,088)	50,434	7,417,616
Infrastructure	161,544,047	1,958,805	-	1,232,830	164,735,682
Machinery and equipment	8,631,801	364,868	(95,017)	-	8,901,652
Licensed vehicles	9,828,599	590,224	(685,620)	85,407	9,818,610
Total capital assets, being depreciated	<u>222,938,379</u>	<u>2,936,900</u>	<u>(2,889,725)</u>	<u>1,368,671</u>	<u>224,354,225</u>
Less accumulated depreciation for					
Buildings	(18,310,600)	(743,050)	-	-	(19,053,650)
Improvements other than buildings	(5,866,442)	(258,169)	1,986,211	-	(4,138,400)
Infrastructure	(74,705,597)	(3,041,955)	-	-	(77,747,552)
Machinery and equipment	(3,414,094)	(451,198)	78,237	-	(3,787,055)
Licensed vehicles	(6,049,330)	(811,897)	632,082	-	(6,229,145)
Total accumulated depreciation	<u>(108,346,063)</u>	<u>(5,306,269)</u>	<u>2,696,530</u>	<u>-</u>	<u>(110,955,802)</u>
Total capital assets, being depreciated, net	<u>114,592,316</u>	<u>(2,369,369)</u>	<u>(193,195)</u>	<u>1,368,671</u>	<u>113,398,423</u>
Governmental capital assets, net	<u>\$ 133,329,215</u>	<u>\$ (1,588,734)</u>	<u>\$ (373,050)</u>	<u>\$ -</u>	<u>\$ 131,367,431</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

	Balance October 1, 2018	Additions	Deletions	Transfers	Balance September 30, 2019
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,419,703	\$ 18,492	\$ -	\$ -	\$ 1,438,195
Construction in progress	2,844,290	1,427,009	-	(2,136,887)	2,134,412
Total capital assets, not being depreciated	<u>4,263,993</u>	<u>1,445,501</u>	<u>-</u>	<u>(2,136,887)</u>	<u>3,572,607</u>
Capital assets, being depreciated:					
Buildings	3,500,536	-	-	-	3,500,536
Improvements other than buildings	96,959,665	-	(87,811)	1,673,789	98,545,643
Machinery and equipment	12,012,937	-	(205,522)	463,098	12,270,513
Property under capital lease	20,655,069	-	-	-	20,655,069
Total capital assets, being depreciated	<u>133,128,207</u>	<u>-</u>	<u>(293,333)</u>	<u>2,136,887</u>	<u>134,971,761</u>
Less accumulated depreciation for:					
Buildings	(2,570,732)	(56,165)	-	-	(2,626,897)
Improvements other than buildings	(47,023,862)	(2,366,781)	63,504	-	(49,327,139)
Machinery and equipment	(9,613,908)	(685,660)	199,466	-	(10,100,102)
Property under capital lease	(13,237,277)	(354,716)	-	-	(13,591,993)
Total accumulated depreciation	<u>(72,445,779)</u>	<u>(3,463,322)</u>	<u>262,970</u>	<u>-</u>	<u>(75,646,131)</u>
Total capital assets, being depreciated, net	<u>60,682,428</u>	<u>(3,463,322)</u>	<u>(30,363)</u>	<u>2,136,887</u>	<u>59,325,630</u>
Business-type capital assets, net	<u>\$ 64,946,421</u>	<u>\$ (2,017,821)</u>	<u>\$ (30,363)</u>	<u>\$ -</u>	<u>\$ 62,898,237</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

Depreciation was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 183,952
Public safety	870,553
Public works	3,397,723
Parks and recreation	854,041
Total depreciation expense - governmental activities	<u>\$ 5,306,269</u>
Business-type activities:	
Water and sewer	<u>\$ 3,463,322</u>
Total depreciation expense - business-type activities	<u>\$ 3,463,322</u>

Discretely Presented Component Unit

Activity for the Health Center for the year ended September 30, 2019 was as follows:

	Balance October 1, 2018	Additions	Deletions	Balance Sept. 30, 2019
Capital assets, being depreciated:				
Buildings	\$ 1,308,786	\$ 17,430	\$ -	\$ 1,326,216
Improvements other than buildings	42,841	-	-	42,841
Machinery and equipment	30,102	-	-	30,102
Total capital assets, being depreciated	<u>1,381,729</u>	<u>17,430</u>	<u>-</u>	<u>1,399,159</u>
Less accumulated depreciation for:				
Buildings	(1,033,777)	(30,585)	-	(1,064,362)
Improvements other than buildings	(42,841)	-	-	(42,841)
Machinery and equipment	(15,310)	(864)	-	(16,174)
Total accumulated depreciation	<u>(1,091,928)</u>	<u>(31,449)</u>	<u>-</u>	<u>(1,123,377)</u>
Total capital assets, being depreciated, net	<u>\$ 289,801</u>	<u>\$ (14,019)</u>	<u>\$ -</u>	<u>\$ 275,782</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Notes to Financial Statements
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Note 6: Construction Projects

As of September 30, 2019, the City had the following commitments with respect to unfinished capital projects.

	Project Authorization	Expended Through 9/30/2019	Required Future Financing
Gibson Bridge	\$ 556,982	\$ 293,038	\$ 263,944
City Hall Elevator Upgrade	135,800	40,740	95,060
Spring Lake Trail Project	69,175	64,621	4,554
Clean-Up of City Owned Site	44,220	22,203	22,017
Total	<u>\$ 806,177</u>	<u>\$ 420,602</u>	<u>\$ 385,575</u>

Note 7: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2019, is as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental fund	\$ 304,785
General	Internal service fund	928
Nonmajor governmental fund	Nonmajor governmental fund	512,618
Nonmajor governmental fund	Debt service	312
Nonmajor governmental fund	General	36,064
Internal service fund	General	21
Total		<u>\$ 854,728</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

Interfund transfers:

Transfer in:	Transfers Out:				Total
	General Fund	Nonmajor Governmental	Fleet Internal Service	Texarkana, Texas Water Utilities	
General fund	\$ -	\$ 3,428	\$ 2,778	\$ 18,900	\$ 25,106
Debt service	5,138,289	815,366	-	-	5,953,655
Nonmajor governmental funds	222,769	305,000	-	-	527,769
Fleet services (internal service)	860,265	-	-	-	860,265
Total transfers in	<u>\$ 6,221,323</u>	<u>\$ 1,123,794</u>	<u>\$ 2,778</u>	<u>\$ 18,900</u>	<u>\$ 7,366,795</u>

Transfers maybe used to (1) move revenues from the fund with collection authorization to another specific required fund, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grants, and other purposes.

Note 8: Enterprise Funds – Contracts with City of Texarkana, Arkansas

Under a contract dated August 5, 1948 as subsequently amended, the City supplies water to the City of Texarkana, Arkansas and disposes of sewage collected by that City. Charges to Texarkana, Arkansas for these services are computed by prorating certain expenses of the System, plus a set monthly fee. A new agreement was executed between the Cities of Texarkana, Texas and Texarkana, Arkansas on May 20, 1969. This new agreement relates to the matter of supplying treated water only and does not amend the prior agreement relating to sewer service. The terms of the new contract provide that Texarkana, Arkansas will pay the same amount per one thousand gallons of water supplied to it as shall be computed to be the cost to Texarkana, Texas under its contractual arrangements with other area cities (See Note 9). The Texarkana, Arkansas Water Utilities made total transfers to the Texarkana, Texas Water Utilities for water purchases of \$673,391 for 2019.

A water system agreement entered into on December 1, 1982 and amended on October 15, 1985, with the City of Texarkana, Arkansas provides for the sale of water taken from the Millwood Reservoir and processed in the Millwood Water Treatment Facilities. The agreement further provides that the City of Texarkana, Arkansas will sell treated water to Texarkana, Texas, at the cost per one thousand gallons of water supplied to it as shall be computed to be the cost to Texarkana, Arkansas. The Texarkana, Texas Water Utilities made total transfers to the Texarkana, Arkansas Water Utilities for water purchases of \$742,792 for 2019.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Additionally, when the indebtedness the City of Texarkana, Arkansas incurred in connection with the acquisition and construction of the water treatment and transmission facilities has been discharged, the City of Texarkana, Arkansas will convey to the City of Texarkana, Texas an undivided interest in the facilities used to serve Texas. Texarkana, Texas' undivided interest in the facilities shall be a pro rata portion of the total capital payments made on the system by both Texarkana, Arkansas and Texarkana, Texas. Texarkana, Texas' share is currently estimated to be approximately 62 percent of the total. Capital payments are defined as payments made or to be made on the principal of the bond obligation of Texarkana, Arkansas. The Texarkana, Texas Water Utilities made total transfers to the Texarkana, Arkansas Water Utilities for debt service of \$417,044 for 2019. The effective transfer of assets pursuant to this agreement has been recorded as a capital lease.

South Regional Wastewater Facilities

A wastewater agreement dated March 1, 1983 was entered into between the City of Texarkana, Arkansas and the City of Texarkana, Texas. The agreement is a supplement to the previous agreement and provides that the City of Texarkana, Texas will process the wastewater from the City of Texarkana, Arkansas and charge the City of Texarkana, Arkansas the same amount per one thousand gallons as the computed cost to the City of Texarkana, Texas for wastewater treatment. The calculation of cost for retail customers billed on the City Rate Ordinance is based on the metered retail water sales of each City to the total retail water sales for both Cities. The cost for contract customers is based on metered wastewater treated in combination with the retail customers for each City to the total for both Cities.

McKinney Bayou Wastewater Facilities

A wastewater agreement dated December 15, 1997 was entered into between the City of Texarkana, Arkansas and the City of Texarkana, Texas. The agreement relates to the operation and maintenance of a wastewater treatment facility, known as the McKinney Bayou Wastewater Facilities (the facilities), and related transmission lines located within the City of Texarkana, Arkansas to be used for the collection and treatment of a portion of the two cities' wastewater. The agreement provides that the City of Texarkana, Arkansas will process a portion of the wastewater from the City of Texarkana, Texas. The City of Texarkana, Texas will pay the City of Texarkana, Arkansas the same amount per one thousand gallons as computed to be the cost to the City of Texarkana, Arkansas for wastewater treatment. The calculation of cost for retail customers billed is based on the metered retail water sales of each City, whose wastewater is treated in the facilities, to the total retail water sales for both Cities, whose wastewater is being treated in the facilities.

The agreement further provides that, when the indebtedness of the City of Texarkana, Arkansas incurred in connection with the acquisition and construction of the wastewater treatment facilities has been discharged, the City of Texarkana, Arkansas will convey to the City of Texarkana, Texas an undivided interest in the system facilities used to serve Texas. Texarkana, Texas' undivided interest in the facilities shall be a pro rata portion of the total payments on bond obligations made on the system by both Texarkana, Arkansas and Texarkana, Texas. During 2019 the Texas Utilities made transfers to the Arkansas Utilities for debt service for \$107,654.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Note 9: Enterprise Funds – Water Supply Contracts Between City of Texarkana, Texas and “Member Cities”

A water supply contract has been entered into between the City of Texarkana, Texas and seven cities in the area which are described as “Member Cities”. Texarkana, Texas has agreed to supply each of these cities with a maximum amount of treated water per year. Each Member City agrees to make minimum monthly payments to the City of Texarkana, Texas, which shall be adequate to discharge its pro rata part of debt service, maintenance and operating, and administrative expenses to Lake Texarkana Water Supply Corporation. The proceeds of these contracts with the various Member Cities are pledged by the City for the payment of the bonds issued by Lake Texarkana Water Supply Corporation.

In fiscal year 2013, the Texas Utility issued \$2.2 million in Waterworks and Sanitary Sewer System Revenue Bonds to finance the moving and replacing of a 16 inch ductile iron water line to a 24 inch water line between Malta, Texas and DeKalb, Texas to accommodate the widening of U.S. Highway 82 between New Boston, Texas and DeKalb Texas, a Bowie County voter approved project. In fiscal year 2019, the Texas Utility received payments of \$23,784, respectively, from the “Member Cities” for contributions toward debt service on these bonds based on their ownership ratio in these assets, for which the related transfer is recorded as a direct financing lease by the Texas Utility.

Note 10: Lease Commitments – Capital Leases

The government has entered into a lease agreement as lessee for financing the acquisition of computer equipment. The government also has financed undivided interests in the acquisition of the Millwood Water Treatment Facilities and the McKinney Bayou Wastewater Facilities. The following is a schedule by years of future minimum lease payments under capital lease obligations as of September 30, 2019:

Ending September 30:	Governmental Activities	Business-type Activities
2020	\$ 220,717	\$ 805,701
2021	220,717	753,290
2022	196,662	688,754
2023	28,503	688,846
2024	-	687,606
2025-2029	-	685,175
Total minimum lease payments	666,599	4,309,372
Less:		
Unexpended funds	-	(881,696)
Amounts representing interest	(27,185)	(561,037)
Present value of minimum lease payments	\$ 639,414	\$ 2,866,639

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

Note 11: Long-term Obligations

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City has dedicated 22.26% of the ad valorem taxes received for the year for the payment of principal and interest on general obligation bonds. General obligation bonds at September 30, 2019 are as follows:

	Rate of interest	Original Issue	Outstanding September 30, 2019
General Obligation Bonds			
General Obligation Refunding Bonds, Series 2013 used to refund certain bonds which were issued to finance certain capital improvements of the City - due serially in varying amounts from February 15, 2014 through February 15, 2027.	2.00% - 5.00%	\$ 14,550,000	\$ 9,670,000
General Obligation Refunding Bonds, Series 2016 used to refund certain bonds which were issued to finance certain capital improvements of the City - due serially in varying amounts from February 1, 2017 through February 1, 2030.	2.00% - 3.00%	9,090,000	8,665,000
Total general obligation bonds		<u>\$ 28,340,000</u>	<u>\$ 18,335,000</u>

Annual requirements to amortize general obligation bonds outstanding at September 30, 2019 are as follows:

Requirements Year Ending September 30	General Obligation Bonds		
	Principal	Interest	Total
2020	\$ 1,440,000	\$ 616,531	\$ 2,056,531
2021	1,215,000	564,706	1,779,706
2022	1,295,000	507,506	1,802,506
2023	1,455,000	445,106	1,900,106
2024	2,235,000	367,438	2,602,438
2025-2029	9,515,000	784,409	10,299,409
2030-2031	1,180,000	17,700	1,197,700
Total	<u>\$ 18,335,000</u>	<u>\$ 3,303,396</u>	<u>\$ 21,638,396</u>

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Certificates of Obligation

The City issues certificates of obligation to fund construction projects and acquire capital assets. Certificates of obligation are direct obligations and pledge the full faith and credit of the City. Certificates of obligation at September 30, 2019, are as follows:

	Rate of interest	Original Issue	Outstanding September 30, 2019
Certificates of Obligation			
Certificates of Obligation, Series 2009 used for acquiring, constructing, improving and equipping various streets, park and recreational facilities, Waterworks and Sewer System, facilities, equipment and vehicles for various City departments, including City hall - due serially in varying amounts through February 1, 2030.	3.00% - 4.50%	\$ 17,420,000	\$ 3,270,000
Certificates of Obligation, Series 2010 used for constructing, improving and equipping convention center facilities and the acquisition of sites - due serially in varying amounts through February 1, 2030.	1.02% - 5.728%	7,000,000	4,615,000
Combination Tax and Revenue Certificates of Obligation, Series 2012 used for street and drainage improvements, constructing, improving and equipping park and recreational facilities - due serially in varying amounts through February 1, 2035.	0.50% - 3.500%	4,115,000	3,205,000
Combination Tax and Revenue Certificates of Obligation, Series 2017 used for public safety facilities, street and drainage improvements, park and recreational facilities, roof replacements, public works facilities, and municipal airport facilities due serially in varying amounts through February 1, 2037.	2.625 - 4.0%	<u>14,160,000</u>	<u>13,615,000</u>
Total certificates of obligation		<u>\$ 42,695,000</u>	<u>\$ 24,705,000</u>

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Annual requirements to amortize certificates of obligations outstanding at September 30, 2019, are as follows:

Year Ending September 30	Certificates of Obligation		
	Principal	Interest	Total
2020	\$ 1,870,000	\$ 889,254	\$ 2,759,254
2021	1,945,000	817,476	2,762,476
2022	2,020,000	742,685	2,762,685
2023	1,840,000	672,506	2,512,506
2024	1,210,000	613,432	1,823,432
2025-2029	6,850,000	2,253,348	9,103,348
2030-2034	5,860,000	998,715	6,858,715
2035-2037	3,110,000	156,225	3,266,225
Total	<u>\$ 24,705,000</u>	<u>\$ 7,143,641</u>	<u>\$ 31,848,641</u>

Revenue Bonds

The City issues bonds pledged with income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at September 30, 2019, are as follows:

	Rate of interest	Original Issue	Outstanding September 30, 2019
Revenue Bonds			
Waterworks and Sanitary Sewer System Revenue Bonds Series 2004 net of bond premium of \$3,566 used to finance the costs of making improvements and extensions to the water and sewer system due serially in varying amounts from February 1, 2006 through February 1, 2023.	3.00% - 4.25%	\$ 2,500,000	\$ 710,000
Waterworks and Sanitary Sewer System Revenue Bonds, Series 2013 net of bond discount of \$15,276 used to finance the costs of making improvements and extensions to the water and sewer system. Due serially in varying amounts from August 1, 2014 through August 1, 2033.	2.00% - 4.875%	<u>2,200,000</u>	<u>1,685,000</u>
Total Texarkana, Texas Water Utilities		<u>\$ 6,505,000</u>	<u>\$ 2,395,000</u>

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City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Annual requirements to amortize revenue bonds outstanding at September 30, 2019 are as follows:

Requirements Year Ending September 30	Revenue Bonds		
	Principal	Interest	Total
2020	\$ 260,000	\$ 97,663	\$ 357,663
2021	270,000	87,588	357,588
2022	280,000	76,956	356,956
2023	295,000	65,594	360,594
2024	105,000	57,881	162,881
2025-2029	600,000	220,319	820,319
2030-2033	585,000	71,819	656,819
Total	<u>\$ 2,395,000</u>	<u>\$ 677,820</u>	<u>\$ 3,072,820</u>

The Utility has pledged future water customer revenues, net of specified operating expenses, to repay the remaining balance in water system revenue bonds issued in 2004 and 2013. Proceeds from the bonds provided financing for the water and wastewater facility improvements and updates. The bonds are payable solely from water customer net revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require approximately 2% of net revenues.

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2019:

	Balance October 1, 2018	Additions	Retirements/ Deductions	Balance September 30, 2019	Long-term Balance	Due Within One Year
Governmental Activities						
General obligation bonds	\$ 24,395,000	\$ -	\$ (6,060,000)	\$ 18,335,000	\$ 16,895,000	\$ 1,440,000
Issuance premiums	1,907,263	-	(269,744)	1,637,519	1,637,519	-
Total general obligation bonds	26,302,263	-	(6,329,744)	19,972,519	18,532,519	1,440,000
Certificates of obligation	26,515,000	-	(1,810,000)	24,705,000	22,835,000	1,870,000
Issuance premiums	476,089	-	(33,484)	442,605	442,605	-
Total certificates of obligation	26,991,089	-	(1,843,484)	25,147,605	23,277,605	1,870,000
Capital leases	835,180	40,364	(236,130)	639,414	418,697	220,717
Net pension liabilities	14,744,941	11,684,198	-	26,429,139	26,429,139	-
Net other postemployment liabilities	12,366,359	1,010,015	-	13,376,374	13,376,374	-
Accrued compensated absences	4,235,167	1,793,116	(1,306,905)	4,721,378	4,410,353	311,025
Governmental activity Long-term liabilities	<u>\$ 85,474,999</u>	<u>\$ 14,527,693</u>	<u>\$ (9,716,263)</u>	<u>\$ 90,286,429</u>	<u>\$ 86,444,687</u>	<u>\$ 3,841,742</u>
Business-type Activities						
Revenue bonds	\$ 2,645,000	\$ -	\$ (250,000)	\$ 2,395,000	\$ 2,135,000	\$ 260,000
Issuance discounts	(11,710)	-	207	(11,503)	(11,503)	-
Total revenue bonds	2,633,290	-	(249,793)	2,383,497	2,123,497	260,000
Capital leases	3,307,629	-	(440,990)	2,866,639	2,427,191	439,448
Net pension liabilities	2,974,761	2,210,725	-	5,185,486	5,185,486	-
Other postemployment liabilities	2,212,802	-	(1,269,473)	943,329	943,329	-
Accrued compensated absences	400,392	380,504	(349,089)	431,807	382,754	49,053
Business-type activity Long-term liabilities	<u>\$ 11,528,874</u>	<u>\$ 2,591,229</u>	<u>\$ (2,309,345)</u>	<u>\$ 11,810,758</u>	<u>\$ 11,062,257</u>	<u>\$ 748,501</u>

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

The General Fund is the governmental fund which primarily is responsible for liquidating the accrued compensated absences liability and net pension and other postemployment liabilities for the governmental activities.

Note 12: Conduit Debt

The City issued \$2,430,000 in Combination Tax and Revenue Certificates of Obligation, Series 2008 dated February 1, 2008. The stated maturity date of the debt is February 1, 2023, with an interest rate of 3.660% per annum. The certificates were issued by the City on behalf of the Bi-State Justice Center. The purpose of the debt is to pay contractual obligations for improvements to the Bi-State Criminal Justice Center and professional services rendered in connection therewith. The payments are made by the Bi-State Justice Center directly to the paying agent. The City has no responsibility for the repayment of the debt beyond its participation in the BSJC joint venture. The balance outstanding at September 30, 2019 is \$780,000.

Note 13: Risk Management

The City's workers' compensation insurance coverage is obtained through the Texas Municipal League Intergovernmental Risk Pool (TML Pool). The TML Pool was established by the various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. Losses under a stated amount for workers' compensation that are incurred by TML members are paid with TML Pool funds. Claims in excess of this limit are paid under terms of insurance policies obtained by the TML Pool. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board or by the State Board of Insurance of Texas. Such rates are estimated to include all claims expected to occur during the policy period, including claims incurred but not reported. The TML has established claims reserves for each of the types of insurance offered. Thus, although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contributed rate for subsequent years. Members are also entitled to returns of contributions if actual results are more favorable than estimated. For the year ended September 30, 2019 the City contributed \$251,137 for workers' compensation coverage.

The City has outside property insurance coverage totaling \$56,187,171 for major structures, primarily those used by the public and those located in a cluster to provide protection from catastrophic losses, as well as \$14,337,700 of contents coverage.

The City maintains liability insurance coverage of \$1,987,040 for all its vehicles and equipment. It has vehicle damage coverage on the most expensive vehicles and equipment including fire engines and large trucks.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

The City has established an Employee Benefit Fund (an internal service fund) to account for a self-insured employee health benefit program. The City accounts for this expense on the accrual method in that as cash is transferred to the Employee Benefit Fund, it is expensed on the transferring fund. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Under this program, the City is self-insured up to a maximum of \$100,000 specific deductible per covered person in a calendar year, and a \$75,000 aggregating specific deductible. Costs in excess of this amount, up to an unlimited amount per claimant as an annual benefit and unlimited as a lifetime benefit, were insured through QBE Insurance Corporation, which was offered by the reinsurance company, Sirius. Sirius is offered through the Third-Party Administrator, Blue Cross Blue Shield of Texas. Each participating fund makes payments to the Employee Benefit Fund based upon the computed monthly amount determined by the administrator of the plan. Employees pay a portion of their costs and an amount for dependents and the City pays for the remainder of employees' coverage. Costs are recognized by the City in the Employee Benefit Fund when claims are filed and processed according to the City of Texarkana's plan document by Blue Cross Blue Shield of Texas. Estimated costs incurred but not billed at year end are accrued.

Changes in the balance of claims liabilities during the past year are as follows:

	Year Ended September 30, 2019	Year Ended September 30, 2018
Unpaid claims, October 1	\$ 204,822	\$ 231,588
Incurred claims	3,422,890	4,041,869
Claim payments	<u>(3,261,412)</u>	<u>(4,068,635)</u>
Unpaid claims, September 30	<u>\$ 366,300</u>	<u>\$ 204,822</u>

The amount of settlements has not exceeded the coverage during any of the past three years.

Note 14: Employee Retirement Systems

The City has elected to participate in the following retirement plans for its employees: A) Texas Municipal Retirement System, and B) Texarkana Firemen's Relief and Retirement Fund.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

Total All Employee Retirement Systems

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expenses/ Expenditures</u>
Governmental activities				
TMRS Plan 1	\$ 6,258,226	\$ 2,843,477	\$ 1,587,436	\$ 1,174,762
TMRS Plan 2	9,430,082	3,492,403	480,486	1,998,635
Firefighters Relief & Retirement Fund	10,740,831	4,317,245	350,177	2,371,006
Total governmental activities	26,429,139	10,653,125	2,418,099	5,544,403
Business-type activities:				
TMRS Plan 3	5,185,486	1,787,497	306,200	819,828
Total	<u>\$ 31,614,625</u>	<u>\$ 12,440,622</u>	<u>\$ 2,724,299</u>	<u>\$ 6,364,231</u>

Texas Municipal Retirement System (TMRS)

The City participates in three retirement plans in the Texas Municipal Retirement System (TMRS) which covers all eligible full-time employees, excluding firefighters: Plan #1 covers Police Officers, Plan #2 covers Other City employees and Plan #3 covers Texarkana Water Utilities employees.

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS ACT, Subtitle G, Title 8, Texas Government Code (The TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City, excluding firefighters, are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Plan provisions for the City were as follows:

	Plan No. 1	Plan No. 2	Plan No. 3
Employee deposit rate	7%	7%	7%
City current matching ratio	2-1	2-1	2-1
Updated Service Credit:			
Rate	100T	100T	100T
Year effective	1998R	1992R	1992R
COLA Increase	70%	70%	70%
COLA Increase year effective	1998R	1992R	1992R
Military service credit effective date	Oct. 1988	Oct. 1988	Oct. 1988
Vesting	5 years	5 years	5 years
Service retirement eligibilities	5 yrs/age 60, 20 yrs/any age	5 yrs/age 60, 20 yrs/any age	5 yrs/age 60, 20 yrs/any age
Restricted prior service credit effective date	June 1995	June 1995	June 1995

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

	Plan No. 1	Plan No. 2	Plan No. 3
Inactive employees or beneficiaries currently receiving benefits	75	190	114
Inactive employees entitled to but not yet receiving benefits	29	99	39
Active employees	87	202	163
Total	<u>191</u>	<u>491</u>	<u>316</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Texarkana, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Texarkana, Texas were as follows in calendar years 2018 and 2019.

	Plan No. 1	Plan No. 2	Plan No. 3
City Contribution Rate:			
2018	16.12%	15.82%	16.20%
2019	15.93%	16.11%	16.67%

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

The City's contributions to TMRS for the year ended September 30, 2019 were \$907,249, \$1,385,213 and \$734,057 for Plan No. 1, Plan No. 2, and Plan No. 3, respectively, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a three-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.50%	4.30%
International equity	17.50%	6.10%
Core fixed income	10.00%	1.00%
Non-core fixed income	20.00%	3.39%
Real return	10.00%	3.78%
Real estate	10.00%	4.44%
Absolute return	10.00%	3.56%
Private equity	5.00%	7.75%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at October 1, 2018	\$ 45,544,838	\$ 42,608,502	\$ 2,936,336
Changes for the year:			
Service cost	1,047,904		1,047,904
Interest	3,037,916		3,037,916
Change of benefit terms	-		-
Difference between expected and actual experience	(682,086)		(682,086)
Changes of assumptions			-
Contributions - employer		961,461	(961,461)
Contributions - employee		422,542	(422,542)
Net investment income		(1,276,203)	1,276,203
Benefit payments, including refunds of employee contributions	(2,125,264)	(2,125,264)	-
Administrative expense		(24,667)	24,667
Other changes		(1,289)	1,289
Net changes	1,278,470	(2,043,420)	3,321,890
Balance at September 30, 2019	<u>\$ 46,823,308</u>	<u>\$ 40,565,082</u>	<u>\$ 6,258,226</u>

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at October 1, 2018	\$ 52,474,999	\$ 46,682,490	\$ 5,792,509
Changes for the year:			
Service cost	1,367,147		1,367,147
Interest	3,461,015		3,461,015
Change of benefit terms	-		-
Difference between expected and actual experience	(702,934)		(702,934)
Changes of assumptions	-		-
Contributions - employer		1,326,274	(1,326,274)
Contributions - employee		576,359	(576,359)
Net investment income		(1,386,764)	1,386,764
Benefit payments, including refunds of employee contributions	(2,913,332)	(2,913,332)	-
Administrative expense		(26,813)	26,813
Other changes		(1,401)	1,401
Net changes	1,211,896	(2,425,677)	3,637,573
Balance at September 30, 2019	<u>\$ 53,686,895</u>	<u>\$ 44,256,813</u>	<u>\$ 9,430,082</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at October 1, 2018	\$ 26,408,230	\$ 23,433,469	\$ 2,974,761
Changes for the year:			
Service cost	723,455		723,455
Interest	1,764,601		1,764,601
Change of benefit terms			-
Difference between expected and actual experience	44,324		44,324
Changes of assumptions			-
Contributions - employer		732,237	(732,237)
Contributions - employee		307,479	(307,479)
Net investment income		(703,751)	703,751
Benefit payments, including refunds of employee contributions	(1,430,008)	(1,430,008)	-
Administrative expense		(13,600)	13,600
Other changes		(710)	710
Net changes	1,102,372	(1,108,353)	2,210,725
Balance at September 30, 2019	\$ 27,510,602	\$ 22,325,116	\$ 5,185,486

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability:			
Plan No. 1	\$ 13,218,522	\$ 6,258,226	\$ 604,723
Plan No. 2	16,423,997	9,430,082	3,642,782
Plan No. 3	8,984,161	5,185,486	2,113,996

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized pension expense of \$1,174,762, \$1,998,635 and \$819,828 in Plan No. 1, Plan No. 2 and Plan No. 3, respectively.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SCHEDULE OF OUTFLOWS AND INFLOWS
PLAN NO. 1

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,202,446	
Changes in actuarial assumptions		25,491
Differences between expected and actual experience		1,561,945
Contributions made after December 31, 2018 but before September 30, 2019	<u>641,031</u>	
Total	<u>\$ 2,843,477</u>	<u>1,587,436</u>

SCHEDULE OF OUTFLOWS AND INFLOWS
PLAN NO. 2

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,399,496	\$ -
Changes of assumptions	-	-
Differences between expected and actual experience	129,450	480,486
Contributions made after December 31, 2018 but before September 30, 2019	<u>963,457</u>	<u>-</u>
Total	<u>\$ 3,492,403</u>	<u>\$ 480,486</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

SCHEDULE OF OUTFLOWS AND INFLOWS
PLAN NO. 3

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,207,557	\$ -
Changes of assumptions	13,704	-
Differences between expected and actual experience	34,135	306,200
Contributions made after December 31, 2018 but before September 30, 2019	532,101	-
Total	<u>\$ 1,787,497</u>	<u>\$ 306,200</u>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Plan No. 1</u>	<u>Plan No. 2</u>	<u>Plan No. 3</u>
2019	\$ 273,133	\$ 756,378	\$ 288,066
2020	(158,355)	109,358	76,397
2021	(8,717)	280,111	130,815
2022	608,055	902,613	453,918
2023	(99,106)	-	-
Total	<u>\$ 615,010</u>	<u>\$ 2,048,460</u>	<u>\$ 949,196</u>

Texarkana Firefighter's Relief and Retirement Fund (FRRF)

General Information about the Retirement Plan

Plan Description

The City contributes to the retirement plan for firefighters in the Texarkana Fire Department known as the Texarkana Firemen's Relief and Retirement fund (the Plan). The Plan is a single employer, contributory, defined benefit plan. The benefit provisions of the Plan are authorized by the Texas Local Fire Fighters' Retirement Act of 1937 (Act). The purpose of the Plan is to provide for the receipt, control, handling, management and dispersing of assets accumulated in the Plan, which has been established for the purpose of providing certain benefits upon retirement for participants/employees under the provisions of the Plan.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

The Plan is administered by a seven-member Board of Trustees. The City does not have access to nor can it utilize assets within the retirement plan trust. The Plan issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained in writing from the Texarkana Firemen's Relief and Retirement Fund at P.O. Box 6083, Longview, TX 75608. See that report for all information about the Plan fiduciary net position.

Benefits Provided

The Plan provides service retirement, death, disability, and termination benefits. The benefits fully vest after 20 years of credited service. Members may retire at attainment of age 50 and completion of 20 years of service. The Plan provides a monthly normal service retirement benefit, payable in a joint and two-thirds to surviving spouse form of annuity equal to 3.09% of the member's highest 36-month average salary, multiplied by years of credited service as of date of termination. The Plan provides an optional form of retirement benefit, payable in a joint and 100% to surviving spouse form of annuity, which allows members to adjust the amount and longevity of the monthly benefit.

A retiring member eligible for normal service retirement with certain minimum combinations of years of service and age has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit.

The benefit provisions of the Plan are authorized by the Act. The Act provides the authority and procedure to amend benefit provisions. There is no provision for automatic postretirement benefit increases. The Plan has the authority to provide for ad hoc postretirement benefit increases. Effective, October 1, 2014, the Plan was amended for a \$19 increase in monthly benefits and a minimum monthly benefit of \$1,022 for retired, disabled, vested terminated members, and surviving spouses.

Members Covered by the Fund

The membership consisted of the following as of December 31, 2018:

Inactive plan members or beneficiaries currently receiving benefits	69
Active plan members	77
Total	<u>146</u>

Funding Policy

The contribution provisions of the Plan are authorized by the Act. The Act provides the authority and procedures to change the amount of contributions determined as a percentage of pay by each member and a percentage of payroll by the City.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

While the contribution requirements are not actuarially determined, state law requires that each plan benefits adopted by the Plan must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the members and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll.

The funding policy of the Texarkana Firemen's Relief and Retirement Fund requires contributions by the members at the rate elected by the members according to the Act. The City's contribution rate is determined annually by the City. Contributions for the year ended December 31, 2018 were as follows:

	<u>Amount</u>	<u>Percentage</u>
Employer	\$ 838,370	19.5%
Members	581,331	13.5%

The costs of administering the plan are paid from the use of investment earnings.

Net Pension Liability

The Plan's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by a special study based on the actuarial valuation as of December 31, 2018. The components of the net pension liability of the employer on December 31, 2018 were as follows:

Total pension liability	\$ 42,096,346
Plan fiduciary net position	<u>(31,355,515)</u>
City's net pension liability	<u><u>\$ 10,740,831</u></u>
Plan fiduciary net position as a percentage of the total pension liability	74.5%

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment return	7.75% per annum, net of investment expenses	
Administrative expense	0.90% of payroll	
Salary increases	<u>Service</u>	<u>Rate</u>
	0-5 years	8.93%
	6-10 years	5.83%
	11-15 years	5.32%
	16+ years	3.25%
Total payroll growth	3.25% per annum	

Mortality rates were based on the RP-2014 Blue Collar Mortality Tables adjusted backward to 2006 with Scale MP-2014 and projected generationally with Scale MP-2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of December 31, 2018, (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	6.50%
Fixed income	4.00%
Cash	0.00%

City of Texarkana, Texas

Notes to Financial Statements

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Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the City contribution would equal to 19.50% of payroll and that member contributions would equal 13.50% of compensation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City of Texarkana, calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 15,253,564	\$ 10,740,831	\$ 6,921,254

Plan Fiduciary Net Position

The Plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the Plan fiduciary net position is available in the Plan's separately issued audited financial statements, which are reported using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Member and employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment transactions are recorded as of the date a transaction is agreed upon and investment income, from interest and dividends, is recorded when earned or declared. All other expenses are recognized when incurred.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Amounts as of December 31, 2018	\$ 40,835,101	\$ 34,819,005	\$ 6,016,096
Changes for the year:			
Service cost	961,601	-	961,601
Interest	3,129,584	-	3,129,584
Differences between expected and actual experience	-	-	-
Contributions by the city	-	838,370	(838,370)
Contributions by the members	-	581,331	(581,331)
Net investment income	-	(1,980,962)	1,980,962
Benefit payments	(2,829,940)	(2,829,940)	-
Administrative expenses	-	(72,289)	72,289
Assumption changes	-	-	-
Other	-	-	-
Net changes	1,261,245	(3,463,490)	4,724,735
Amounts as of December 31, 2019	\$ 42,096,346	\$ 31,355,515	\$ 10,740,831

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City's GASB 68 pension expense was \$2,371,006. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates. The components of pension expense for the fiscal year ended September 30, 2019, are as follows:

Service cost	\$ 961,601
Interest	3,129,584
Member contributions	(581,331)
Projected earnings on pension plan investments	(2,641,025)
Amortization of differences between projected and actual earnings on plan investments	1,526,880
Amortization of changes of assumptions	7,732
Amortization of differences between expected and actual experience	(104,724)
Pension plan administrative expenses	72,289
Total pension expense	<u>\$ 2,371,006</u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

At September 30, 2019, the City reported deferred outflows of resources related to the Fire Pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 3,538,052	\$ -
Changes of assumptions	78,420	20,334
Differences between expected and actual experience	100,509	329,843
Contributions made after December 31, 2018 but before September 30, 2019	600,264	-
Total	<u>\$ 4,317,245</u>	<u>\$ 350,177</u>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Deferred Outflows (Inflows) of Resources
2020	\$ 1,267,294
2021	561,161
2022	540,477
2023	959,551
2024	35,152
Thereafter	3,169
Total	<u>\$ 3,366,804</u>

Note 15: Other Postemployment Health Care Benefits

Postemployment medical and dental benefits (OPEB) are provided to eligible retirees, their spouses and dependents through the City's self-insured health plan. The City and Texarkana Water Utilities both provide these postemployment benefits through single-employer defined benefit OPEB plans. Each plan has a separate actuarial valuation and are reported separately in the following disclosures. For each plan, no assets are accumulated in a trust that meet the criteria of GASB Statement No. 75.

City of Texarkana, Texas

Notes to Financial Statements

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City OPEB Plan

Benefits Provided

Employees hired before January 1, 2010 are eligible to receive a lump sum payment for up to 720 sick leave hours upon retirement. Fire operations are eligible to receive a lump sum payment for up to 1,008 sick leave hours. These employees are also eligible to receive the dollar value of up to 720 sick leave hours, or up to 1,008 sick leave hours for Fire Operations, placed into an account for retiree health and /or dental coverage premium payments. The account balance can only be used to replace the premiums the participant would have paid for retiree medical and/or dental insurance coverage provided by the City. The participant must elect retiree insurance coverage immediately upon retirement and any election decision shall not be deferred for any reason. All age and tenure requirements must comply with pension guidelines of the Texas Municipal Retirement System or the Texarkana Firemen's Relief and Retirement Fund at the time of retirement to qualify for this program.

Employees hired on or after January 1, 2010 are eligible to receive a lump sum payment for up to 720 sick leave hours. Fire operations are eligible to receive a lump sum payment for up to 1,008 sick leave hours. These employees have the option to receive a lump sum payment for sick leave hours or to have the dollar value of sick leave hours deposited in an account for use by the retiree to purchase retiree health and/or dental coverage provided by the City, but not both. The participant must elect retiree insurance coverage immediately upon retirement and any election decision shall not be deferred for any reason. All age and tenure requirements must comply with pension guidelines at the time of retirement to qualify for this program.

At the October 1, 2017, valuation and measurement date, the following employees were covered by the benefit terms:

	<u>9/30/2019</u>
Inactive employees or beneficiaries currently receiving benefit payments	28
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>368</u>
Total	<u><u>396</u></u>

Contributions

Benefit levels and contribution rates are approved annually by City management and the City Council as part of the budget process. The City does not make advance funding contributions, but instead operates under a pay-as-you-go method. Therefore, the plan is not accounted for as a trust fund and does not issue a separate financial report.

City of Texarkana, Texas
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Net OPEB Liability and Actuarial Assumptions

The City's Net OPEB Liability was measured as of September 30, 2019, and Total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of October 1, 2017, using the following actuarial assumptions:

Inflation	2.50% per year
Salary inflation	2.75% average which includes inflation
Discount rate	3.58% per annum, which includes inflation (prior year was 3.75%)
Healthcare cost trend rates	5.70% initial medical trend rate for pre-65 retirees decreasing to an ultimate rate of 3.81% in the year 2073

Mortality rates were updated and are based upon the RP-2014h sex distinct mortality improvement table with generational mortality improvement scale MP-2018

	<u>Net OPEB Liability</u>
Balance at 9/30/2018	\$ 12,366,359
Changes for the year:	
Service cost	572,787
Interest	480,257
Change in assumptions	221,537
Benefit payments	<u>(264,566)</u>
Net changes	<u>1,010,015</u>
Balance at 9/30/19	<u><u>\$ 13,376,374</u></u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City calculated using the discount rate of 3.58%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.58%) or 1% higher (4.58%) than the current rate. This is also calculated using healthcare cost trend rates.

<u>Discount Rate Sensitivity</u>		
<u>1% Decrease 2.58%</u>	<u>Discount Rate 3.58%</u>	<u>1% Increase 4.58%</u>
\$ 15,547,161	\$ 13,376,374	\$ 11,587,259

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

Healthcare Cost Trend Rate		
1% Decrease	Discount Rate	1% Increase
4.21%	5.21%	6.21%

\$ 11,598,022 \$ 13,376,374 \$ 15,490,426

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized the OPEB expense of \$1,303,594.

At September 30, 2019, the City had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,285
Changes of assumptions	1,287,683	-
Total	<u>\$ 1,287,683</u>	<u>\$ 3,285</u>

The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Year September 30	Deferred Outflows/(Inflows) of Resources
2020	\$ 250,550
2021	250,550
2022	250,550
2023	250,550
2024	250,549
Thereafter	31,649
	<u>\$ 1,284,398</u>

TWU OPEB Plan

Benefits Provided

In addition to the retirement benefits described above, eligible employees hired before January 1, 2010 receive upon retirement 1) a lump sum payment of their sick leave balance at retirement which is equal to their sick leave hours (limited to 720 hours for non-Civil Service) valued at the employee's current hourly pay rate, and 2) an additional amount equal to their sick leave balance used to pay future monthly healthcare contributions.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Since the sick leave balance can only be used for healthcare it is required to be included as another post-employment benefit (OPEB).

Upon retirement, eligible employees hired after January 1, 2010 may choose either a lump sum payment of up to 720 hours of sick leave at their current rate of pay or an equivalent amount to be used to pay future monthly healthcare contributions, but they cannot get both. Once retirees participating in postemployment health care benefits reach sufficient age to become Medicare eligible, they can no longer remain on the insurance, but if they enroll in Medicare, their Medicare supplement premiums can then be paid from any remaining sick leave buyout balance. Eligible employees who retire at Medicare eligible age cannot remain on the employer insurance, but their Medicare supplement premiums can be paid from their sick leave buyout balance.

Eligible employees who choose to remain on the employer insurance are allowed to continue any coverage they may have at retirement, which includes self, spouse, children, and family coverage options, but those coverage options cannot be added post retirement.

At the October 1, 2018, valuation date, the following employees were covered by the benefit terms:

Actives	136
Retirees	<u>11</u>
Total	<u><u>147</u></u>

Contributions

Benefit levels and contribution rates are approved annually by City management and the City Council as part of the budget process. The Utility does not make advance funding contributions, but instead operates under a pay-as-you-go method. Therefore, the plan is not accounted for as a trust fund and does not issue a separate financial report.

Net OPEB Liability

The Utility's Net OPEB Liability was measured as of September 30, 2019, and Total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of October 1, 2018.

Actuarial methods and assumptions

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under this method, a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay which, if paid from each participant's date of employment by the employer or any predecessor employer (thus, entry age) to his assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund his projected retirement benefit. The normal cost for the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on his behalf from his normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan.

It should be noted that the accrued liability as of any date is not the actuarially computed present value of accrued or accumulated benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used.

Valuation Date	October 1, 2018
Measurement Date	September 30, 2019
Discount Rate for Valuing Liabilities	3.97% per annum
Mortality rates	Non-Annuitants: Sex distinct headcount weighted 2010 PUB mortality table for general employees with mortality improvement scale MP-2019 Annuitants: Sex distinct headcount weighted 2010 PUB mortality table for general retirees with mortality improvement scale MP-2019
Assumed Sick Leave Balance	Active participants assumed to have the maximum sick leave balance accrued at time of retirement. Retirees use actual sick leave balance.
Disability rates	None
Payroll Increase	2.75%
Participation Assumption	100% of all employees who are eligible for retiree medical benefits are assumed to elect medical coverage in retirement.

	<u>Texarkana, Texas</u>
	<u>Water Utilities</u>
Balance as of 9/30/18	\$ 2,212,450
Changes for the year:	
Service cost	102,640
Interest on total OPEB liability	96,950
Difference between expected and actual experience	(20,023)
Effect of assumptions changes or inputs	(1,421,045)
Benefit payments	<u>(27,643)</u>
Balance as of 9/30/19	<u><u>\$ 943,329</u></u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Utility calculated using the discount rate of 3.97%, as well as what the Utility's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.97%) or 1% higher (4.97%) than the current rate. This is also calculated using healthcare cost trend rates.

Discount Rate Sensitivity		
1% Decrease	Discount Rate	1% Increase
2.97%	3.97%	4.97%
\$ 1,021,515	\$ 943,329	\$ 906,561

Healthcare Cost Trend Rate		
1% Decrease	Discount Rate	1% Increase
4.31/4.42%	5.31/5.52%	6.31/6.52%
\$ 955,902	\$ 943,329	\$ 966,112

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the Utility recognized the OPEB income of \$110,143.

At September 30, 2019, the Utility had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 16,686
Changes of assumptions	-	1,240,633
Total	<u>\$ -</u>	<u>\$ 1,257,319</u>

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Year September 30	Deferred Outflows/(Inflows) of Resources
2020	\$ (268,419)
2021	(268,419)
2022	(240,178)
2023	(240,178)
2024	(240,125)
	<u>\$ (1,257,319)</u>

Note 16: Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City's plan was amended effective January 1, 1997 to provide that all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

The City has delegated administrative and investment responsibilities to a third-party administrator, ICMA Retirement Corporation, and as such, the plan assets do not meet the requirements for inclusion in the City's financial statements at September 30, 2019.

City of Texarkana, Texas
Notes to Financial Statements
September 30, 2019

Note 17: Classification of Governmental Fund Balances

The table below presents a summary of the September 30, 2019, governmental fund balances by fund type and specific purpose. With the exception of nonspendable fund balances, fund balance is presented based on specific purpose. For the general fund, special revenue funds, debt service fund and capital projects funds, the specific purpose of the fund balance is determined by the governmental function for which the funds are restricted, committed, assigned or unassigned.

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable for:				
Investment in joint venture	\$ 88,838	\$ -	\$ -	\$ 88,838
Loans receivable	-	-	599,833	599,833
Restricted				
Court security and technology	425,576	-	-	425,576
Law enforcement	299,505	-	39,676	339,181
Health and welfare	-	-	744,086	744,086
Public safety radio	-	-	86,648	86,648
Debt service	-	392,006	-	392,006
Tourism	-	-	673,879	673,879
Capital improvements	-	-	4,564,432	4,564,432
Tax Increment Reinvestment Zone	-	-	2,345,426	2,345,426
Committed				
Economic development	-	-	1,443,943	1,443,943
Assigned				
Subsequent year's expenditures	188,675	-	-	188,675
Building maintenance	90,850	-	-	90,850
Personnel	785,498	-	-	785,498
Technology	93,369	-	-	93,369
Capital improvements	3,332,312	-	-	3,332,312
Insurance	244,473	-	-	244,473
Energy conservation	35,013	-	-	35,013
Theatre	-	-	819,933	819,933
Unassigned				
General fund	9,846,341	-	-	9,846,341
Special revenue funds	-	-	(120,784)	(120,784)
Total Fund Balances	<u>\$ 15,430,450</u>	<u>\$ 392,006</u>	<u>\$ 11,197,072</u>	<u>\$ 27,019,528</u>

Note 18: Tax Abatements

The City Council authorized Resolution 2016-121 and entered into a contract on February 27, 2017 to fund a rebate of an amount not to exceed 50% of the City's portion of the ad valorem tax paid by a real estate holding company for a term not to exceed five years beginning January 1, 2018 and ending December 31, 2023. The agreement has a potential to be renewed for an additional five-year period. No amount of ad valorem taxes were abated for the fiscal year ending September 30, 2019.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

The City Council authorized Resolution 2018-064 and entered into a contract on June 11, 2018, to fund a rebate not to exceed \$612,000 of a portion of ad valorem taxes for property and a portion of the sales taxes paid by a local automobile dealership and collected by the City derived from the new business facilities to be constructed at the specified location for a term not to exceed 10 years. No amount of ad valorem taxes or sales taxes were abated for the fiscal year ending September 30, 2019.

Note 19: Contingent Liabilities

Litigation

The City is a party to several legal actions arising in the ordinary course of its business. In the opinion of the City's management, upon advice of the City Attorney, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position.

Note 20: Subsequent Pronouncements

The Governmental Accounting Standards Board recently issued the following statements not yet implemented by the City of Texarkana, Texas. The statements which might impact the City are as follows:

Statement No. 84, *Fiduciary Activities*, issued in January 2017, will be effective for the fiscal year September 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

Statement No. 87, *Leases*, issued in June 2017, will be effective for the fiscal year ending September 30, 2021. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangement.

City of Texarkana, Texas

Notes to Financial Statements

September 30, 2019

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, issued in June 2018, will be effective for the fiscal year ending September 30, 2021. The Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with Statement No. 62. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest costs incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, issued in August 2018, will be effective for the fiscal year ending September 30, 2020. The Statement's objective is to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

GASB is proposing the postponement of each of the above standards by one year in response to the COVID-19 pandemic.

Note 21: Subsequent Events

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the City. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

In March 2020, the City issued \$7,950,000 of General Obligation Refunding Bonds, Taxable Series 2020A and 2020B.



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Required Supplementary Information

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

TMRS PLAN #1 - Police Officers

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 YEARS

	Measurement Date 12/13/2014	Measurement Date 12/13/2015	Measurement Date 12/13/2016	Measurement Date 12/13/2017	Measurement Date 12/13/2018
1. Total Pension Liability					
a. Service cost	\$ 968,730	\$ 969,892	\$ 940,760	\$ 1,006,085	\$ 1,047,904
b. Interest	2,746,753	2,842,733	2,830,664	2,946,678	3,037,916
c. Changes of benefit provisions					
d. Difference between expected and actual experience	(647,060)	(710,991)	(333,866)	(668,606)	(682,086)
e. Changes of assumptions		(72,483)			
f. Benefit payments	(1,738,559)	(1,657,168)	(1,721,423)	(1,781,542)	(2,125,264)
g. Net Change in Total Pension Liability	1,329,864	1,371,983	1,716,135	1,502,615	1,278,470
h. Total Pension Liability - Beginning	39,624,241	40,954,106	42,326,088	44,042,223	45,544,838
i. Total Pension Liability - Ending	<u>\$ 40,954,105</u>	<u>\$ 42,326,089</u>	<u>\$ 44,042,223</u>	<u>\$ 45,544,838</u>	<u>\$ 46,823,308</u>
2. Plan Fiduciary Net Position					
a. Contributions by the City	\$ 988,531	\$ 966,327	\$ 905,636	\$ 933,545	\$ 961,461
b. Contributions by the Employees	381,042	389,200	378,249	405,446	422,542
c. Net investment income	1,977,814	53,356	2,424,238	5,243,846	(1,276,203)
d. Benefit payments	(1,738,559)	(1,657,168)	(1,721,423)	(1,781,542)	(2,125,264)
e. Administrative Expenses	(20,649)	(32,500)	(27,384)	(27,176)	(24,667)
f. Other	(1,698)	(1,605)	(1,475)	(1,378)	(1,289)
g. Net Change in Plan Fiduciary Net Position	1,586,481	(282,390)	1,957,841	4,772,741	(2,043,420)
h. Plan Fiduciary Net Position - Beginning	34,573,828	36,160,309	35,877,919	37,835,760	42,608,502
i. Plan Fiduciary Net Position - ending	<u>\$ 36,160,309</u>	<u>\$ 35,877,919</u>	<u>\$ 37,835,760</u>	<u>\$ 42,608,501</u>	<u>\$ 40,565,082</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 4,793,796	\$ 6,448,169	\$ 6,206,463	\$ 2,936,336	\$ 6,258,226
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.30%	84.80%	85.90%	93.55%	86.63%
5. Covered Payroll for Year (Estimated)	\$ 5,443,456	\$ 5,554,938	\$ 5,403,560	\$ 5,792,085	\$ 6,036,315
6. City's Net Pension Liability as a Percentage of Covered Payroll	88.10%	116.10%	114.86%	50.70%	103.68%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

TMRS PLAN #2 - Other City Employees

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 YEARS

	Measurement Date 12/13/2014	Measurement Date 12/13/2015	Measurement Date 12/13/2016	Measurement Date 12/13/2017	Measurement Date 12/13/2018
1. Total Pension Liability					
a. Service cost	\$ 1,199,684	\$ 1,300,193	\$ 1,297,239	\$ 1,361,395	\$ 1,367,147
b. Interest	3,070,141	3,180,026	3,199,561	3,310,801	3,461,015
c. Changes of benefit provisions					
d. Difference between expected and actual experience	(470,023)	(507,874)	106,689	327,831	(702,934)
e. Changes of assumptions		238,953			
f. Benefit payments	(2,135,093)	(2,277,497)	(2,610,374)	(2,443,517)	(2,913,332)
g. Net Change in Total Pension Liability	1,664,709	1,933,801	1,993,115	2,556,510	1,211,896
h. Total Pension Liability - Beginning	44,326,864	45,991,573	47,925,374	49,918,489	52,474,999
i. Total Pension Liability - Ending	<u>\$ 45,991,573</u>	<u>\$ 47,925,374</u>	<u>\$ 49,918,489</u>	<u>\$ 52,474,999</u>	<u>\$ 53,686,895</u>
2. Plan Fiduciary Net Position					
a. Contributions by the City	\$ 1,182,575	\$ 1,248,098	\$ 1,191,057	\$ 1,286,363	\$ 1,326,274
b. Contributions by the Employees	526,260	551,597	538,593	569,621	576,359
c. Net investment income	2,202,368	59,293	2,695,784	5,722,307	(1,386,764)
d. Benefit payments	(2,135,093)	(2,277,497)	(2,610,374)	(2,443,517)	(2,913,332)
e. Administrative Expenses	(22,995)	(36,119)	(30,454)	(29,664)	(26,813)
f. Other	(1,891)	(1,784)	(1,641)	(1,504)	(1,401)
g. Net Change in Plan Fiduciary Net Position	1,751,224	(456,412)	1,782,965	5,103,606	(2,425,677)
h. Plan Fiduciary Net Position - Beginning	38,501,107	40,252,331	39,795,919	41,578,884	46,682,490
i. Plan Fiduciary Net Position - ending	<u>\$ 40,252,331</u>	<u>\$ 39,795,919</u>	<u>\$ 41,578,884</u>	<u>\$ 46,682,490</u>	<u>\$ 44,256,813</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 5,739,242	\$ 8,129,455	\$ 8,339,605	\$ 5,792,509	\$ 9,430,082
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.50%	83.00%	83.30%	88.96%	82.41%
5. Covered Payroll for Year (Estimated)	\$ 7,517,730	\$ 7,879,692	\$ 7,694,181	\$ 8,137,195	\$ 8,269,165
6. City's Net Pension Liability as a Percentage of Covered Payroll	76.30%	103.20%	108.40%	71.19%	114.04%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

TMRS PLAN #3 - Water Utilities

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 YEARS

	Measurement Date 12/13/2014	Measurement Date 12/13/2015	Measurement Date 12/13/2016	Measurement Date 12/13/2017	Measurement Date 12/13/2018
1. Total Pension Liability					
a. Service cost	\$ 641,973	663,135	675,932	703,862	723,455
b. Interest	1,594,823	1,643,709	1,638,155	1,726,802	1,764,601
c. Changes of benefit provisions					
d. Difference between expected and actual experience	(635,746)	(497,533)	(42,992)	(405,743)	44,324
e. Changes of assumptions		100,711			
f. Benefit payments	(1,029,300)	(948,775)	(1,234,149)	(1,163,480)	(1,430,008)
g. Net Change in Total Pension Liability	571,750	961,247	1,036,946	861,441	1,102,372
h. Total Pension Liability - Beginning	22,976,845	23,548,595	24,509,842	25,546,789	26,408,230
i. Total Pension Liability - Ending	<u>\$ 23,548,595</u>	<u>24,509,842</u>	<u>25,546,788</u>	<u>26,408,230</u>	<u>27,510,602</u>
2. Plan Fiduciary Net Position					
a. Contributions by the City	767,302	713,523	653,633	695,700	732,237
b. Contributions by the Employees	303,453	298,901	289,036	300,612	307,479
c. Net investment income	1,059,822	29,037	1,332,902	2,901,396	(703,751)
d. Benefit payments	(1,029,300)	(948,775)	(1,234,149)	(1,163,480)	(1,430,008)
e. Administrative Expenses	(11,065)	(17,687)	(15,053)	(15,035)	(13,600)
f. Other	(910)	(872)	(811)	(759)	(710)
g. Net Change in Plan Fiduciary Net Position	1,089,302	74,127	1,025,558	2,718,434	(1,108,353)
h. Plan Fiduciary Net Position - Beginning	18,526,049	19,615,352	19,689,579	20,715,035	23,433,469
i. Plan Fiduciary Net Position - ending	<u>\$ 19,615,351</u>	<u>19,689,479</u>	<u>20,715,137</u>	<u>23,433,469</u>	<u>22,325,116</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 3,933,244	4,820,363	4,831,751	2,974,761	5,185,486
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.30%	80.30%	81.10%	88.74%	81.15%
5. Covered Payroll for Year (Estimated)	\$ 4,277,720	4,137,776	4,233,369	4,403,205	4,392,555
6. City's Net Pension Liability as a Percentage of Covered Payroll	91.90%	116.50%	114.10%	67.56%	118.05%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

TMRS PLAN #1 - Police Officers

***SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS***

	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 937,617	\$ 898,144	\$ 941,738	\$ 953,099	\$ 907,249
Contributions in relation to the actuarially determined contributions	<u>937,617</u>	<u>898,144</u>	<u>941,738</u>	<u>953,099</u>	<u>907,249</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,337,623	\$ 5,303,689	\$ 5,778,874	\$ 5,969,529	\$ 5,941,868
Contributions as a percentage of covered payroll	17.57%	16.93%	16.30%	15.97%	15.27%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes

There were no benefit changes during the year.

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

TMRS PLAN #2 - Other City Employees

***SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS***

	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 1,212,706	\$ 1,178,109	\$ 1,279,683	\$ 1,403,756	\$ 1,385,213
Contributions in relation to the actuarially determined contributions	1,212,589	1,177,930	1,276,730	1,403,595	1,385,213
Contribution deficiency	\$ 117	\$ 179	\$ 2,953	\$ 161	\$ -
Covered payroll	\$ 7,675,943	\$ 7,566,064	\$ 8,134,762	\$ 8,743,195	\$ 8,630,034
Contributions as a percentage of covered payroll	15.80%	15.57%	15.69%	16.05%	16.05%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no benefit changes during the year.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

TMRS PLAN #3 - Water Utilities

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 726,542	\$ 665,287	\$ 681,500	\$ 728,386	\$ 734,057
Contributions in relation to the actuarially determined contributions	726,542	665,287	681,500	728,386	734,057
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,277,720	\$ 4,137,776	\$ 4,233,369	\$ 4,403,205	\$ 4,522,761
Contributions as a percentage of covered payroll	16.98%	16.08%	16.10%	16.54%	16.23%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
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Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes

There were no benefit changes during the year.

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

TEXARKANA FIREFIGHTER'S RELIEF AND RETIREMENT
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE LAST 10 FISCAL YEARS¹

	Fiscal Year Ending 9/30/2016	Fiscal Year Ending 9/30/2017	Fiscal Year Ending 9/30/2018	Fiscal Year Ending 9/30/2019
1. Total Pension Liability				
a. Service cost	\$ 905,833	\$ 843,503	\$ 944,560	\$ 961,601
b. Interest	2,879,964	2,901,750	2,974,938	3,129,584
c. Changes of benefit provisions				
d. Differences between expected and actual experience	(827,723)		140,001	
e. Changes of assumptions	(51,030)		109,232	
f. Benefit payments	(2,545,333)	(2,581,866)	(2,386,385)	(2,829,940)
g. Net Change in Total Pension Liability	361,711	1,163,387	1,782,346	1,261,245
h. Total Pension Liability - Beginning	37,527,657	37,889,368	39,052,755	40,835,101
i. Total Pension Liability - Ending	<u>\$ 37,889,368</u>	<u>\$ 39,052,755</u>	<u>\$ 40,835,101</u>	<u>\$ 42,096,346</u>
2. Plan Fiduciary Net Position				
a. Contributions by the City	\$ 795,780	\$ 830,234	\$ 850,654	\$ 838,370
b. Contributions by the firefighters	550,925	574,778	571,029	581,331
c. Net investment income	(1,001,621)	2,020,384	4,088,103	(1,980,962)
d. Benefit payments	(2,545,333)	(2,581,866)	(2,386,385)	(2,829,940)
e. Administrative Expenses	(24,699)	(85,879)	(81,576)	(72,289)
f. Other				
g. Net Change in Plan Fiduciary Net Position	(2,224,948)	757,651	3,041,825	(3,463,490)
h. Plan Fiduciary Net Position - Beginning	33,244,477	31,019,529	31,777,180	34,819,005
i. Plan Fiduciary Net Position - Ending	<u>\$ 31,019,529</u>	<u>\$ 31,777,180</u>	<u>\$ 34,819,005</u>	<u>\$ 31,355,515</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 6,869,839	\$ 7,275,575	\$ 6,016,096	\$ 10,740,831
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.9%	81.4%	85.3%	74.5%
5. Covered Payroll for Year (Estimated)	\$ 4,080,926	\$ 4,257,615	\$ 4,229,844	\$ 4,306,156
6. City's Net Pension Liability as a Percentage of Covered Payroll	168.3%	170.9%	142.2%	249.4%

Notes to schedule:

¹ The measurement date is December 31, nine months prior to the fiscal year end. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

TEXARKANA FIREFIGHTER'S RELIEF AND RETIREMENT

SCHEDULE OF CITY CONTRIBUTIONS FOR LAST 10 FISCAL YEARS¹

¹ A schedule of City contributions is not required because the City contributions to the Fund are neither actuarially determined nor statutorily nor contractually established.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

CITY OF TEXARKANA, TEXAS RETIREE MEDICAL PLAN

***SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2019</u>
Total OPEB Liability - beginning of year	\$ 10,224,149	\$ 12,366,359
Changes for the year:		
Service cost	361,392	572,787
Interest on total OPEB liability	419,812	480,257
Difference between expected and actual experience	(4,599)	-
Effect of assumptions changes or inputs	1,536,912	221,537
Contributions-employer	(171,307)	(264,566)
Total OPEB Liability - end of year	<u>\$ 12,366,359</u>	<u>\$ 13,376,374</u>
Covered -employee payroll	\$ 17,243,844	\$ 17,473,647
Total OPEB liability as a percentage of covered-employee payroll	71.71%	76.55%

This OPEB schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

City of Texarkana, Texas
Required Supplementary Information
September 30, 2019

TEXARKANA WATER UTILITIES RETIREE MEDICAL PLAN

***SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2019</u>
Total OPEB Liability - beginning of year	\$ 2,164,869	\$ 2,212,450
Changes for the year:		
Service cost	100,757	102,288
Interest on total OPEB liability	82,050	96,950
Difference between expected and actual experience	(112,029)	(20,023)
Effect of assumptions changes or inputs	-	(1,421,045)
Benefit payments	(23,197)	(27,291)
Total OPEB Liability - end of year	<u>\$ 2,212,450</u>	<u>\$ 943,329</u>
Covered -employee payroll	\$ 3,074,789	\$ 3,404,967
Total OPEB liability as a percentage of covered-employee payroll	71.95%	27.70%

This OPEB schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

No amounts are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

Assumption changes were as follows: The discount rate changed from 4.18% to 3.97% for 2019.



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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Housing and Community Development Fund – This fund was established to account for the receipts and disbursements of Department of Housing and Urban Development Community Development Block Grant Funds.

HOME Fund – This fund was established to account for the repayment of loans originally funded through the HOME Program.

Theatre Fund – This fund was established to account to the operations of the Perot Theatre.

Hotel/Motel Tax Fund – This fund was established to account for the collection and distribution of hotel/motel taxes.

Housing Fund – This fund was established to account for the repayment of loans which are funded with non-federal, local funds under the Home Ownership Assistance Program guidelines.

Economic Development – This fund was established to account for additional franchise tax revenue restricted for economic development activity.

Law Enforcement Block Grant – This fund was established to account for the activity related to the Law Enforcement Block Grant, Weed and Seed Grant and Asset Forfeiture Program.

Law Enforcement Programs Fund – This fund was established to account for the activity related to the Tobacco Compliance Grant and the Law Enforcement Officer Standards and Education (LEOSE) allocations.

Donations Fund – This fund includes grant awards and donations given for community projects through the Texarkana, Texas Planning & Community Development Department. Programs funded from these grant awards and donations include: Texarkana, Texas Farmers Market, Believe in Beverly Campaign, City-Wide Cleanups and the Texarkana Arts & Historic District.

TIRZ #1 Fund – This fund was established to facilitate a program of public improvements to allow and encourage the development and redevelopment of approximately 868 acres of land located in the north and west part of Texarkana through the use of tax dollars collected over a designated base amount.

Public Safety Radio Fund – The City has purchased a P25 public safety communications system, which is linked to what will eventually be a statewide communications network. The local system will provide communications capabilities for law enforcement, fire fighters and public works for both sides of the City as well as numerous agencies with Bowie County. The system allows for interoperability between the various agencies in times of critical events. Ongoing maintenance and upgrades of the system are crucial. To fund this ongoing cost, a monthly fee will be assessed for each radio operating on the system and placed into this account. The funds that are collected via the fees will be used for system maintenance.

Rotary Splash Park Fund – This fund was established to account for the activity related to the splash pad at Spring Lake Park.

CDBG Revolving Loans Fund – This fund was established to account for funds related to the Community Development Block Grant (CDBG) Revolving Loan grant. This program enables the City to make loans to small businesses, microenterprises, minority and women-owned businesses and consumer cooperatives that are located in an area designated for redevelopment. Loan funds may be used for projects designed to create or retain permanent jobs.

NEA Grant Fund – This fund was established to account for the activity related to the National Endowment for the Arts awarded to the City of Texarkana, Texas to support the Texarkana Perot Theatre Restoration and Art Park Project.

COC Homeless Assistance Grant Fund – This fund was established by the City of Texarkana, Texas in the partnership with the Texarkana Friendship Center, Inc. and the Randy Sam's Outreach Shelter to administer a comprehensive rapid-rehousing program for the homeless. This program serves 50 homeless clients per year, as well as their immediate family members all of whom will be housed in scatter site housing.

CDBG 108 Loan Fund – The fund was established to account for funds designed to assist community and economic development projects that will benefit low/moderate income persons by providing affordable housing in the downtown area.

EPA Revolving Loan Fund – This fund was established to account for fund related to the EPA Revolving Loan grant. This program enables the City to make sub grants and loans to developers seeking to redevelop contaminated properties in targeted areas of the community. Loan and grant funds may be used for clean-up activities at approved redevelopment sites.

Emergency Solutions Grant Fund – This fund was established to account for activity related to the grant program designed to provide the services necessary to help persons that are at-risk of homelessness or homeless quickly regain stability in permanent housing. The program is fund by the U.S. Department of Housing and Urban Development and is administered by the Texas Department of Housing and Community Affairs in the State of Texas.

NRDA Grant Fund – This fund was established to account for funds related to the Natural Resources Damage Assessment grant. These funds are used to restore natural resources injured, lost, or destroyed due to releases of hazardous substances at, or from, the former Kerr-McGee Chemical Corporation wood treating facility in Texarkana.

Farmers Market Fund – This fund was established to account for funds related to the USDA Farmers Market Promotion Program. These funds are used to promote growth and expansion of the Farmers Market with cultural foods and events, an expanded mobile market and online ordering system, and advertising for all market activities.

Trail Grant Fund – This fund was established to account for funds related to the renovation and expansion of the Spring Lake Park trail and provide a unique “Walk Through History” guided trail.

Capital Project Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

2005 Bond Fund – This fund was established to account for bond proceeds used for improving streets and parks, as well as fire-fighting facilities and purchase of three fire trucks.

TIRZ Bond Fund – This fund was established to account for 2012 bond proceeds used for street and drainage improvements, constructing, improving and equipping park and recreational facilities.

2017 Bond Fund – This fund was established to accumulate bond proceeds and allocate project expenditures as presented in the bond issuance.

City of Texarkana, Texas

Combining Balance Sheet – Nonmajor Governmental Funds

September 30, 2019

	Special Revenue Funds						
	Housing and Community Development	HOME	Theatre	Hotel/ Motel Tax	Housing	Economic Development	Law Enforcement Block Grant
ASSETS							
Cash	\$ -	\$ 54,275	\$ 860,907	\$ 549,139	\$ 79,534	\$ 1,411,560	\$ 17,856
Investments - certificates of deposit	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectible):							
Property taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	208,979	-	-	-
Accounts	-	-	-	38,954	-	39,479	-
Other government agencies	199,603	-	-	-	-	-	-
Accrued interest	-	-	-	-	67,661	-	-
Loans	17,335	14,912	-	-	380,000	99,507	-
Due from other funds	512,618	-	-	-	-	-	-
TOTAL ASSETS	\$ 729,556	\$ 69,187	\$ 860,907	\$ 797,072	\$ 527,195	\$ 1,550,546	\$ 17,856
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 7,128	\$ -	\$ 40,974	\$ 39,575	\$ -	\$ 2,734	\$ 14,003
Accrued payroll	-	-	-	-	-	4,362	-
Due to other funds	182,044	-	-	-	-	-	-
TOTAL LIABILITIES	189,172	-	40,974	39,575	-	7,096	14,003
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - other taxes	-	-	-	83,618	-	-	-
Unavailable revenue - grants	109,693	-	-	-	-	-	-
Unavailable revenue - interest	-	-	-	-	67,661	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS	109,693	-	-	83,618	67,661	-	-
FUND BALANCES							
Nonspendable	17,335	14,912	-	-	380,000	99,507	-
Restricted	413,356	54,275	-	673,879	79,534	-	3,853
Committed	-	-	-	-	-	1,443,943	-
Assigned	-	-	819,933	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCE	430,691	69,187	819,933	673,879	459,534	1,543,450	3,853
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 729,556	\$ 69,187	\$ 860,907	\$ 797,072	\$ 527,195	\$ 1,550,546	\$ 17,856

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

Special Revenue Funds							
Law Enforcement Programs	Donations	TIRZ #1	Public Safety Radio	Rotary Splash Park	CDBG Revolving Loans	NEA Grant	
\$ 35,823	\$ 19,828	\$ 2,411,342	\$ 128,537	\$ 489	\$ 164,865	\$ -	-
-	-	-	-	-	-	-	-
-	-	702,881	-	-	-	-	-
-	-	4,169	-	-	-	-	-
-	7,000	-	-	-	-	-	-
-	-	-	29,790	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	52,544	-	-
-	-	36,376	-	-	-	-	-
<u>\$ 35,823</u>	<u>\$ 26,828</u>	<u>\$ 3,154,768</u>	<u>\$ 158,327</u>	<u>\$ 489</u>	<u>\$ 217,409</u>	<u>\$ -</u>	-
\$ -	\$ 7,362	\$ 108,951	\$ 42,054	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
-	-	129	-	-	-	-	-
<u>-</u>	<u>7,362</u>	<u>109,080</u>	<u>42,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	-
-	-	700,262	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	29,625	-	-	-	-
<u>-</u>	<u>-</u>	<u>700,262</u>	<u>29,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	-
-	-	-	-	-	52,544	-	-
35,823	19,466	2,345,426	86,648	489	164,865	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>35,823</u>	<u>19,466</u>	<u>2,345,426</u>	<u>86,648</u>	<u>489</u>	<u>217,409</u>	<u>-</u>	-
<u>\$ 35,823</u>	<u>\$ 26,828</u>	<u>\$ 3,154,768</u>	<u>\$ 158,327</u>	<u>\$ 489</u>	<u>\$ 217,409</u>	<u>\$ -</u>	-

(Continued)

City of Texarkana, Texas

Combining Balance Sheet – Nonmajor Governmental Funds

September 30, 2019

	Special Revenue Funds							
	COC Homeless Assistance Grant	CDBG 108 Loan	EPA Revolving Loan Grant	Emergency Solutions Grant	NRDA Grant	Farmers Market	Trail Grant	Total Special Revenue
ASSETS								
Cash	\$ -	\$ 524,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,258,974
Investments - certificates of deposit	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectible):								
Property taxes	-	-	-	-	-	-	-	702,881
Other taxes	-	-	-	-	-	-	-	213,148
Accounts	400	-	-	-	-	-	16,345	102,178
Other government agencies	39,618	-	2,244	-	-	39,334	64,621	375,210
Accrued interest	-	-	5	-	-	-	-	67,660
Loans	-	-	35,535	-	-	-	-	599,830
Due from other funds	-	-	-	-	-	-	-	548,994
TOTAL ASSETS	<u>\$ 40,018</u>	<u>\$ 524,819</u>	<u>\$ 37,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,334</u>	<u>\$ 80,966</u>	<u>\$ 8,868,884</u>
LIABILITIES AND FUND BALANCES								
Accounts payable	\$ 14,649	\$ -	\$ 2,244	\$ 66	\$ -	\$ 302	\$ -	\$ 280,044
Accrued payroll	-	-	-	-	-	-	-	4,362
Due to other funds	23,106	512,718	15	1,531	-	33,239	64,621	817,400
TOTAL LIABILITIES	<u>37,755</u>	<u>512,718</u>	<u>2,259</u>	<u>1,597</u>	<u>-</u>	<u>33,541</u>	<u>64,621</u>	<u>1,101,807</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	700,262
Unavailable revenue - other taxes	-	-	-	-	-	-	-	83,618
Unavailable revenue - grants	39,618	-	5	-	-	39,334	64,621	253,271
Unavailable revenue - interest	-	-	-	-	-	-	-	67,661
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-	29,625
TOTAL DEFERRED INFLOWS	<u>39,618</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>39,334</u>	<u>64,621</u>	<u>1,134,437</u>
FUND BALANCES								
Nonspendable	-	-	35,535	-	-	-	-	599,830
Restricted	-	12,101	-	-	-	-	-	3,889,718
Committed	-	-	-	-	-	-	-	1,443,940
Assigned	-	-	-	-	-	-	-	819,930
Unassigned	(37,355)	-	(15)	(1,597)	-	(33,541)	(48,276)	(120,784)
TOTAL FUND BALANCE	<u>(37,355)</u>	<u>12,101</u>	<u>35,520</u>	<u>(1,597)</u>	<u>-</u>	<u>(33,541)</u>	<u>(48,276)</u>	<u>6,632,640</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 40,018</u>	<u>\$ 524,819</u>	<u>\$ 37,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,334</u>	<u>\$ 80,966</u>	<u>\$ 8,868,884</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

Capital Project Funds					Total Nonmajor Governmental Fund
2005 Bond	TIRZ Bond	2017 Bond	Total Capital Projects		
\$ 502,096	\$ 197	\$ 2,256,244	\$ 2,758,537	\$ 9,017,511	
-	-	2,011,102	2,011,102	2,011,102	
-	-	-	-	702,881	
-	-	-	-	213,148	
-	-	-	-	102,178	
-	-	-	-	375,210	
-	-	866	866	68,532	
-	-	-	-	599,833	
-	-	-	-	548,994	
<u>\$ 502,096</u>	<u>\$ 197</u>	<u>\$ 4,268,212</u>	<u>\$ 4,770,505</u>	<u>\$ 13,639,389</u>	
\$ -	\$ -	\$ 206,073	\$ 206,073	\$ 486,115	
-	-	-	-	4,362	
-	-	-	-	817,403	
-	-	206,073	206,073	1,307,880	
-	-	-	-	700,262	
-	-	-	-	83,618	
-	-	-	-	253,271	
-	-	-	-	67,661	
-	-	-	-	29,625	
-	-	-	-	1,134,437	
-	-	-	-	599,833	
502,096	197	4,062,139	4,564,432	8,454,147	
-	-	-	-	1,443,943	
-	-	-	-	819,933	
-	-	-	-	(120,784)	
<u>502,096</u>	<u>197</u>	<u>4,062,139</u>	<u>4,564,432</u>	<u>11,197,072</u>	
<u>\$ 502,096</u>	<u>\$ 197</u>	<u>\$ 4,268,212</u>	<u>\$ 4,770,505</u>	<u>\$ 13,639,389</u>	

(Concluded)

City of Texarkana, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance – Nonmajor Governmental Funds
Year Ended September 30, 2019

	Special Revenue Funds					
	Housing and Community Development	HOME	Theatre	Hotel/ Motel Tax	Housing	Economic Development
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes-other	-	-	-	1,414,709	-	-
Franchise receipts	-	-	-	-	-	362,590
Charges for services	-	-	75,304	-	-	-
Grants and entitlements	241,118	-	-	-	-	-
Interest and dividends	181	1,286	27,587	12,450	7,370	39,359
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>241,299</u>	<u>1,286</u>	<u>102,891</u>	<u>1,427,159</u>	<u>7,370</u>	<u>401,949</u>
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	219,574
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	372,976	502,176	-	-
Health and welfare	372,958	-	-	-	6,078	-
Capital outlay	-	-	24,508	-	-	-
Total expenditures	<u>372,958</u>	<u>-</u>	<u>397,484</u>	<u>502,176</u>	<u>6,078</u>	<u>219,574</u>
Excess (deficiency) of revenues over expenditures	<u>(131,659)</u>	<u>1,286</u>	<u>(294,593)</u>	<u>924,983</u>	<u>1,292</u>	<u>182,375</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	22,147	-	305,000	-	-	-
Transfers out	-	-	(338)	(863,203)	-	(1,090)
Total other financing sources (uses)	<u>22,147</u>	<u>-</u>	<u>304,662</u>	<u>(863,203)</u>	<u>-</u>	<u>(1,090)</u>
Net change in fund balance	(109,512)	1,286	10,069	61,780	1,292	181,285
Fund balance at beginning of year	<u>540,203</u>	<u>67,901</u>	<u>809,864</u>	<u>612,099</u>	<u>458,242</u>	<u>1,362,165</u>
Fund balance at end of year	<u>430,691</u>	<u>69,187</u>	<u>819,933</u>	<u>673,879</u>	<u>459,534</u>	<u>1,543,450</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

Special Revenue Funds							
Law Enforcement Block Grant	Law Enforcement Programs	Donations	TIRZ #1	Public Safety Radio	Rotary Splash Park	CDBG Revolving Loans	NEA Grant
\$ -	\$ -	\$ -	652,969	-	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,734	-	-	-	-	-	-
330	770	432	55,193	2,481	113	2,082	-
43,364	-	-	493,202	47,430	-	-	-
-	-	27,686	-	-	14,028	-	-
43,694	7,504	28,118	1,201,364	49,911	14,141	2,082	-
-	-	-	-	-	-	-	-
41,632	1,967	-	-	58,191	-	-	-
-	-	-	330,596	-	-	-	-
-	-	-	-	-	-	-	-
-	-	23,329	-	-	-	-	7,095
-	-	-	281,843	-	5,828	-	-
41,632	1,967	23,329	612,439	58,191	5,828	-	7,095
2,062	5,537	4,789	588,925	(8,280)	8,313	2,082	(7,095)
-	-	-	-	40,980	-	-	6,213
-	-	-	(259,163)	-	-	-	-
-	-	-	(259,163)	40,980	-	-	6,213
2,062	5,537	4,789	329,762	32,700	8,313	2,082	(882)
1,791	30,286	14,677	2,015,664	53,948	(7,824)	215,327	882
3,853	35,823	19,466	2,345,426	86,648	489	217,409	-

(continued)

City of Texarkana, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended September 30, 2019

	Special Revenue Funds							
	COC Homeless Assistance Grant	CDBG 108 Loan	EPA Revolving Loan Grant	Emergency Solutions Grant	NRDA Grant	Farmers Market	Trail Grant	Total Special Revenue
REVENUES:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 652,969
Taxes-other	-	-	-	-	-	-	-	1,414,709
Franchise receipts	-	-	-	-	-	-	-	362,590
Charges for services	-	-	-	-	-	-	-	75,304
Grants and entitlements	292,250	-	42,379	111,514	-	-	-	693,995
Interest and dividends	-	11,618	-	-	-	-	-	161,252
Intergovernmental	-	-	-	-	-	-	16,345	600,341
Other	-	-	-	-	-	2,220	-	43,934
Total revenues	<u>292,250</u>	<u>11,618</u>	<u>42,379</u>	<u>111,514</u>	<u>-</u>	<u>2,220</u>	<u>16,345</u>	<u>4,005,094</u>
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	39,574	-	259,148
Public safety	-	-	-	-	-	-	-	101,790
Public Works	-	-	-	-	-	-	-	330,596
Parks and recreation	-	-	-	-	-	-	64,621	939,773
Health and welfare	310,363	-	70,567	86,910	72	-	-	877,372
Capital outlay	-	-	-	-	-	-	-	312,179
Total expenditures	<u>310,363</u>	<u>-</u>	<u>70,567</u>	<u>86,910</u>	<u>72</u>	<u>39,574</u>	<u>64,621</u>	<u>2,820,858</u>
Excess (deficiency) of revenues over expenditures	<u>(18,113)</u>	<u>11,618</u>	<u>(28,188)</u>	<u>24,604</u>	<u>(72)</u>	<u>(37,354)</u>	<u>(48,276)</u>	<u>1,184,236</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	37,412	-	63,723	48,409	72	3,813	-	527,769
Transfers out	-	-	-	-	-	-	-	(1,123,794)
Total other financing sources (uses)	<u>37,412</u>	<u>-</u>	<u>63,723</u>	<u>48,409</u>	<u>72</u>	<u>3,813</u>	<u>-</u>	<u>(596,025)</u>
Net change in fund balances	19,299	11,618	35,535	73,013	-	(33,541)	(48,276)	588,211
Fund balances at beginning of year	<u>(56,654)</u>	<u>483</u>	<u>(15)</u>	<u>(74,610)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,044,429</u>
Fund balances at end of year	<u>\$ (37,355)</u>	<u>\$ 12,101</u>	<u>\$ 35,520</u>	<u>\$ (1,597)</u>	<u>\$ -</u>	<u>\$ (33,541)</u>	<u>\$ (48,276)</u>	<u>\$6,632,640</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended September 30, 2019 (Continued)

Capital Projects Funds				Total Nonmajor Governmental Fund
2005 Bond	TIRZ Bond	2017 Bond	Total Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ 652,969
-	-	-	-	1,414,709
-	-	-	-	362,590
-	-	-	-	75,304
-	-	-	-	693,995
11,115	2,787	111,505	125,407	286,659
-	-	-	-	600,341
-	-	-	-	43,934
<u>11,115</u>	<u>2,787</u>	<u>111,505</u>	<u>125,407</u>	<u>4,130,501</u>
-	-	-	-	259,148
-	-	-	-	101,790
-	-	-	-	330,596
-	-	-	-	939,773
-	-	-	-	877,372
-	124,074	743,484	867,558	1,179,737
<u>-</u>	<u>124,074</u>	<u>743,484</u>	<u>867,558</u>	<u>3,688,416</u>
<u>11,115</u>	<u>(121,287)</u>	<u>(631,979)</u>	<u>(742,151)</u>	<u>442,085</u>
-	-	-	-	527,769
-	-	-	-	(1,123,794)
-	-	-	-	(596,025)
11,115	(121,287)	(631,979)	(742,151)	(153,940)
<u>490,981</u>	<u>121,484</u>	<u>4,694,118</u>	<u>5,306,583</u>	<u>11,351,012</u>
<u>\$ 502,096</u>	<u>\$ 197</u>	<u>\$ 4,062,139</u>	<u>\$ 4,564,432</u>	<u>\$ 11,197,072</u> (concluded)

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Housing and Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Grants and entitlements	\$ 845,350	\$ 421,797	\$ 241,118	\$ (180,679)
Interest and dividends	-	-	181	181
Total revenues	<u>845,350</u>	<u>421,797</u>	<u>241,299</u>	<u>(180,498)</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>845,350</u>	<u>450,000</u>	<u>372,958</u>	<u>77,042</u>
Total expenditures	<u>845,350</u>	<u>450,000</u>	<u>372,958</u>	<u>77,042</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(28,203)</u>	<u>(131,659)</u>	<u>(103,456)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	<u>-</u>	<u>-</u>	<u>22,147</u>	<u>22,147</u>
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>22,147</u>	<u>22,147</u>
Net change in fund balance	-	(28,203)	(109,512)	(81,309)
Fund balance at beginning of year	<u>540,203</u>	<u>540,203</u>	<u>540,203</u>	<u>-</u>
Fund balance at end of year	<u>\$ 540,203</u>	<u>\$ 512,000</u>	<u>\$ 430,691</u>	<u>\$ (81,309)</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Home Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Interest and dividends	\$ 500	\$ 500	\$ 1,286	\$ 786
Total revenues	500	500	1,286	786
Net change in fund balance	500	500	1,286	786
Fund balance at beginning of year	67,901	67,901	67,901	-
Fund balance at end of year	\$ 68,401	\$ 68,401	\$ 69,187	\$ 786

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Theatre Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Original	Final	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 70,000	\$ 70,000	\$ 75,304	\$ 5,304
Interest and dividends	2,300	12,700	27,587	14,887
Total revenues	<u>72,300</u>	<u>82,700</u>	<u>102,891</u>	<u>20,191</u>
EXPENDITURES				
Current:				
Parks and recreation	729,921	500,917	372,976	127,941
Capital outlay	-	-	24,508	(24,508)
Total expenditures	<u>729,921</u>	<u>500,917</u>	<u>397,484</u>	<u>103,433</u>
Excess (deficiency) of revenues over expenditures	<u>(657,621)</u>	<u>(418,217)</u>	<u>(294,593)</u>	<u>123,624</u>
OTHER FINANCING SOURCES/USES				
Transfers in	345,000	345,000	305,000	(40,000)
Transfers out	<u>(41,535)</u>	<u>(40,338)</u>	<u>(338)</u>	<u>40,000</u>
Total other financing sources/uses	<u>303,465</u>	<u>304,662</u>	<u>304,662</u>	<u>-</u>
Net change in fund balance	(354,156)	(113,555)	10,069	123,624
Fund balance at beginning of year	<u>809,864</u>	<u>809,864</u>	<u>809,864</u>	<u>-</u>
Fund balance at end of year	<u>\$ 455,708</u>	<u>\$ 696,309</u>	<u>\$ 819,933</u>	<u>\$ 123,624</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Taxes-other	\$ 1,400,000	\$ 1,537,000	\$ 1,414,709	\$ (122,291)
Interest and dividends	4,900	15,000	12,450	(2,550)
Other	1,500	-	-	-
Total revenues	1,406,400	1,552,000	1,427,159	(124,841)
EXPENDITURES				
Current:				
Parks and recreation	625,663	648,498	502,176	146,322
Total expenditures	625,663	648,498	502,176	146,322
Excess of revenues over expenditures	780,737	903,502	924,983	21,481
OTHER FINANCING USES				
Transfers in	1,197	-	-	-
Transfers out	(863,203)	(863,203)	(863,203)	-
Total other financing uses	(862,006)	(863,203)	(863,203)	-
Net change in fund balance	(81,269)	40,299	61,780	21,481
Fund balance at beginning of year	612,099	612,099	612,099	-
Fund balance at end of year	\$ 530,830	\$ 652,398	\$ 673,879	\$ 21,481

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Housing Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Interest and dividends	\$ -	\$ 6,700	\$ 7,370	\$ 670
Total revenues	-	6,700	7,370	670
EXPENDITURES				
Current:				
Health and welfare	266,926	278,900	6,078	272,822
Total expenditures	266,926	278,900	6,078	272,822
Net change in fund balance	(266,926)	(272,200)	1,292	273,492
Fund balance at beginning of year	458,242	458,242	458,242	-
Fund balance at end of year	\$ 191,316	\$ 186,042	\$ 459,534	\$ 273,492

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Economic Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Franchise receipts	\$ 340,000	\$ 370,000	\$ 362,590	\$ (7,410)
Interest and dividends	14,500	38,700	39,359	659
Intergovernmental	13,000	-	-	-
Total revenues	<u>367,500</u>	<u>408,700</u>	<u>401,949</u>	<u>(6,751)</u>
EXPENDITURES				
Current:				
General government	<u>581,723</u>	<u>844,982</u>	<u>219,574</u>	<u>625,408</u>
Total expenditures	<u>581,723</u>	<u>844,982</u>	<u>219,574</u>	<u>625,408</u>
Excess (deficiency) of revenues over expenditures	<u>(214,223)</u>	<u>(436,282)</u>	<u>182,375</u>	<u>618,657</u>
OTHER FINANCING USES				
Transfers out	<u>(1,090)</u>	<u>(1,090)</u>	<u>(1,090)</u>	<u>-</u>
Total other financing uses	<u>(1,090)</u>	<u>(1,090)</u>	<u>(1,090)</u>	<u>-</u>
Net change in fund balance	(215,313)	(437,372)	181,285	618,657
Fund balance at beginning of year	<u>1,362,165</u>	<u>1,362,165</u>	<u>1,362,165</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,146,852</u>	<u>\$ 924,793</u>	<u>\$ 1,543,450</u>	<u>\$ 618,657</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Law Enforcement Block Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Intergovernmental	\$ 24,080	\$ 47,000	\$ 43,364	\$ (3,636)
Interest and dividends	-	70	330	260
Total revenues	24,080	47,070	43,694	(3,376)
EXPENDITURES				
Current:				
Public safety	24,080	48,861	41,632	7,229
Total expenditures	24,080	48,861	41,632	7,229
Net change in fund balance	-	(1,791)	2,062	3,853
Fund balance at beginning of year	1,791	1,791	1,791	-
Fund balance at end of year	\$ 1,791	\$ -	\$ 3,853	\$ 3,853

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Law Enforcement Programs Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Interest and dividends	\$ 300	\$ 750	\$ 770	\$ 20
Grants and entitlements	6,700	6,734	6,734	-
Total revenues	<u>7,000</u>	<u>7,484</u>	<u>7,504</u>	<u>20</u>
EXPENDITURES				
Current:				
Public safety	<u>11,000</u>	<u>12,000</u>	<u>1,967</u>	<u>10,033</u>
Total expenditures	<u>11,000</u>	<u>12,000</u>	<u>1,967</u>	<u>10,033</u>
Net change in fund balance	(4,000)	(4,516)	5,537	10,053
Fund balance at beginning of year	<u>30,286</u>	<u>30,286</u>	<u>30,286</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,286</u>	<u>\$ 25,770</u>	<u>\$ 35,823</u>	<u>\$ 10,053</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Donations Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Interest and dividends	\$ 100	\$ 350	\$ 432	\$ 82
Other	30,000	30,000	27,686	(2,314)
Total revenues	30,100	30,350	28,118	(2,232)
EXPENDITURES				
Current:				
Health and welfare	47,309	45,027	23,329	21,698
Capital outlay	250	-	-	-
Total expenditures	47,559	45,027	23,329	21,698
Net change in fund balance	(17,459)	(14,677)	4,789	19,466
Fund balance at beginning of year	14,677	14,677	14,677	-
Fund balance at end of year	\$ (2,782)	\$ -	\$ 19,466	\$ 19,466

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
TIRZ #1 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 606,634	\$ 681,137	\$ 652,969	\$ (28,168)
Interest and dividends	22,000	55,000	55,193	193
Intergovernmental	488,370	493,202	493,202	-
Total revenues	<u>1,117,004</u>	<u>1,229,339</u>	<u>1,201,364</u>	<u>(27,975)</u>
EXPENDITURES				
Current:				
Public Works	1,656,469	882,344	330,596	551,748
Capital outlay	-	-	281,843	(281,843)
Total expenditures	<u>1,656,469</u>	<u>882,344</u>	<u>612,439</u>	<u>269,905</u>
Excess (deficiency) of revenues over expenditures	<u>(539,465)</u>	<u>346,995</u>	<u>588,925</u>	<u>241,930</u>
OTHER FINANCING SOURCES/USES				
Transfers out	<u>(1,000,059)</u>	<u>(259,163)</u>	<u>(259,163)</u>	-
Total other financing sources/uses	<u>(1,000,059)</u>	<u>(259,163)</u>	<u>(259,163)</u>	-
Net change in fund balance	(1,539,524)	87,832	329,762	241,930
Fund balance at beginning of year	<u>2,015,664</u>	<u>2,015,664</u>	<u>2,015,664</u>	-
Fund balance at end of year	<u>\$ 476,140</u>	<u>\$ 2,103,496</u>	<u>\$ 2,345,426</u>	<u>\$ 241,930</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Public Safety Radio Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Interest and dividends	\$ 60	\$ 1,079	\$ 2,481	\$ 1,402
Intergovernmental	55,260	76,950	47,430	(29,520)
Total revenues	55,320	78,029	49,911	(28,118)
EXPENDITURES				
Public safety	66,000	69,559	58,191	11,368
Total expenditures	66,000	69,559	58,191	11,368
Excess (deficiency) of revenues over expenditures	(10,680)	8,470	(8,280)	(16,750)
OTHER FINANCING SOURCES/USES				
Transfers in	46,800	40,980	40,980	-
Total other financing sources/uses	46,800	40,980	40,980	-
Net change in fund balance	36,120	49,450	32,700	(16,750)
Fund balance at beginning of year	53,948	53,948	53,948	-
Fund balance at end of year	\$ 90,068	\$ 103,398	\$ 86,648	\$ (16,750)

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Rotary Splash Park Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Interest and dividends	\$ -	\$ 14,028	\$ 113	\$ (13,915)
Other	-	-	14,028	14,028
Total revenues	-	14,028	14,141	113
EXPENDITURES				
Capital outlay	-	6,204	5,828	376
Total expenditures	-	6,204	5,828	376
Net change in fund balance	-	7,824	8,313	489
Fund balance at beginning of year	(7,824)	(7,824)	(7,824)	-
Fund balance at end of year	<u>\$ (7,824)</u>	<u>\$ -</u>	<u>\$ 489</u>	<u>\$ 489</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
CDBG Revolving Loans Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Interest and dividends	\$ 3,500	\$ 2,200	\$ 2,082	\$ (118)
Total revenues	<u>3,500</u>	<u>2,200</u>	<u>2,082</u>	<u>(118)</u>
EXPENDITURES				
Current:				
Health and welfare	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Net change in fund balance	3,000	1,700	2,082	382
Fund balance at beginning of year	<u>215,327</u>	<u>215,327</u>	<u>215,327</u>	<u>-</u>
Fund balance at end of year	<u>\$ 218,327</u>	<u>\$ 217,027</u>	<u>\$ 217,409</u>	<u>\$ 382</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
NEA Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
EXPENDITURES				
Current:				
Health and welfare	\$ -	\$ 882	\$ 7,095	\$ (6,213)
Total expenditures	-	882	7,095	(6,213)
Excess (deficiency) of revenues over expenditures	-	(882)	(7,095)	(6,213)
OTHER FINANCING SOURCES/USES				
Transfers in	-		6,213	6,213
Total other financing sources/uses	-	-	6,213	6,213
Net change in fund balance	-	(882)	(882)	-
Fund balance at beginning of year	882	882	882	-
Fund balance at end of year	\$ 882	\$ -	\$ -	\$ -

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
COC Homeless Assistance Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Grants and entitlements	\$ 457,970	\$ 457,361	\$ 292,250	\$ (165,111)
Total revenues	<u>457,970</u>	<u>457,361</u>	<u>292,250</u>	<u>(165,111)</u>
EXPENDITURES				
Current:				
Health and welfare	457,970	430,000	310,363	119,637
Total expenditures	<u>457,970</u>	<u>430,000</u>	<u>310,363</u>	<u>119,637</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>27,361</u>	<u>(18,113)</u>	<u>(45,474)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	-	29,293	37,412	8,119
Total other financing sources/uses	<u>-</u>	<u>29,293</u>	<u>37,412</u>	<u>8,119</u>
Net change in fund balance	-	56,654	19,299	(37,355)
Fund balance at beginning of year	<u>(56,654)</u>	<u>(56,654)</u>	<u>(56,654)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (56,654)</u>	<u>\$ -</u>	<u>\$ (37,355)</u>	<u>\$ (37,355)</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
CDBG 108 Loan Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest and dividends	\$ -	\$ -	\$ 11,618	\$ 11,618
Total revenues	-	-	11,618	11,618
EXPENDITURES				
Current:				
Health and welfare	-	483	-	483
Total expenditures	-	483	-	483
Net change in fund balance	-	(483)	11,618	12,101
Fund balance at beginning of year	483	483	483	-
Fund balance at end of year	\$ 483	\$ -	\$ 12,101	\$ 12,101

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
EPA Revolving Loan Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Grants and entitlements	\$ 973,663	\$ 946,164	\$ 42,379	\$ (903,785)
Total revenues	973,663	946,164	42,379	(903,785)
EXPENDITURES				
Current:				
Health and welfare	973,663	992,084	70,567	921,517
Total expenditures	973,663	992,084	70,567	921,517
Excess (deficiency) of revenues over expenditures	-	(45,920)	(28,188)	17,732
OTHER FINANCING SOURCES/USES				
Transfers in	-	45,935	63,723	17,788
Total other financing sources/uses	-	45,935	63,723	17,788
Net change in fund balance	-	15	35,535	35,520
Fund balance at beginning of year	(15)	(15)	(15)	-
Fund balance at end of year	\$ (15)	\$ -	\$ 35,520	\$ 35,520

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Emergency Solutions Grant Fund
Schedule of Revenues, Expenditure, and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Grants and entitlements	\$ 449,786	\$ 166,205	\$ 111,514	\$ (54,691)
Total revenues	<u>449,786</u>	<u>166,205</u>	<u>111,514</u>	<u>(54,691)</u>
EXPENDITURES				
Current:				
Health and welfare	<u>449,786</u>	<u>126,000</u>	<u>86,910</u>	<u>39,090</u>
Total expenditures	<u>449,786</u>	<u>126,000</u>	<u>86,910</u>	<u>39,090</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>40,205</u>	<u>24,604</u>	<u>(15,601)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	<u>-</u>	<u>34,405</u>	<u>48,409</u>	<u>14,004</u>
Total other financing sources/uses	<u>-</u>	<u>34,405</u>	<u>48,409</u>	<u>14,004</u>
Net change in fund balance	-	74,610	73,013	(1,597)
Fund balance at beginning of year	<u>(74,610)</u>	<u>(74,610)</u>	<u>(74,610)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (74,610)</u>	<u>\$ -</u>	<u>\$ (1,597)</u>	<u>\$ (1,597)</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
NRDA Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Grants and entitlements	\$ -	\$ 250,000	\$ -	\$ (250,000)
Total revenues	-	250,000	-	(250,000)
EXPENDITURES				
Current:				
Health and welfare	-	-	72	(72)
Total expenditures	-	-	72	(72)
Excess (deficiency) of revenues over expenditures	-	250,000	(72)	(250,072)
OTHER FINANCING SOURCES/USES				
Transfers in	-	-	72	72
Total other financing sources/uses	-	-	72	72
Net change in fund balance	-	250,000	-	(250,000)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ 250,000	\$ -	\$ (250,000)

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Farmers Market Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other	\$ -	\$ 87,110	\$ 2,220	\$ (84,890)
Total revenues	-	87,110	2,220	(84,890)
EXPENDITURES				
Current:				
General government	-	87,110	39,574	47,536
Total expenditures	-	87,110	39,574	47,536
Excess (deficiency) of revenues over expenditures	-	-	(37,354)	(37,354)
OTHER FINANCING SOURCES/USES				
Transfers in	-	34,405	3,813	(30,592)
Total other financing sources/uses	-	34,405	3,813	(30,592)
Net change in fund balance	-	34,405	(33,541)	(67,946)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	34,405	(33,541)	(67,946)

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Trail Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Year Ended September 30, 2019

	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Intergovernmental	\$ 130,762	65,675	16,345	(49,330)
Total revenues	<u>130,762</u>	<u>65,675</u>	<u>16,345</u>	<u>(49,330)</u>
EXPENDITURES				
Current:				
Parks and recreation	<u>130,762</u>	<u>65,675</u>	<u>64,621</u>	<u>1,054</u>
Total expenditures	<u>130,762</u>	<u>65,675</u>	<u>64,621</u>	<u>1,054</u>
Net change in fund balance	-	-	(48,276)	(48,276)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,276)</u>	<u>\$ (48,276)</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in that the costs of providing goods and services to the general public on a continuing basis are recovered primarily through user charges. The City's enterprise funds are established to account for the financing of water and sewer services to the public, other municipalities and industrial customers. All activities necessary to provide these services are included in these funds.

Lake Texarkana Water Supply Corporation – This fund is used to account for the financing and operation of the water distribution system from Lake Wright Patman of the City of Texarkana and other “Member Cities” and wholesale customers located in Bowie and Red River counties. The operations of this fund are combined with the Texas Water Utilities for reporting purposes and all inter-fund accounts are eliminated in the combination.

International Paper Company Water System Contract Fund – This fund is used to account for the financing and operations of the water system which provides treated water from Lake Wright Patman to the International Paper Company paper mill.

City of Texarkana, Texas
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2019

	Lake Texarkana Water Supply Corporation	International Paper Company Water System Contract Fund	Total
ASSETS			
Current assets			
Cash	\$ 464,603	\$ 118,265	\$ 582,868
Investments - certificates of deposit	400,000	-	400,000
Receivables (net of allowance for uncollectible)			
Accounts	-	99,061	99,061
Total current assets	<u>864,603</u>	<u>217,326</u>	<u>1,081,929</u>
Noncurrent assets:			
Restricted assets:			
Accrued interest	1,715	-	1,715
Total noncurrent assets	<u>1,715</u>	<u>-</u>	<u>1,715</u>
TOTAL ASSETS	<u>866,318</u>	<u>217,326</u>	<u>1,083,644</u>
LIABILITIES			
Current liabilities			
Accounts payable	3,878	72,894	76,772
Accrued liabilities	-	348	348
Due to other funds	-	144,084	144,084
Total current liabilities	<u>3,878</u>	<u>217,326</u>	<u>221,204</u>
Noncurrent liabilities			
Capital improvement deposits	862,440	-	862,440
Total noncurrent liabilities	<u>862,440</u>	<u>-</u>	<u>862,440</u>
TOTAL LIABILITIES	<u>866,318</u>	<u>217,326</u>	<u>1,083,644</u>
NET POSITION			
Unrestricted	-	-	-
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2019

	Lake Texarkana Water Supply Corporation	International Paper Company Water System Contract Fund	Total
OPERATING REVENUES			
Water sales	\$ -	\$ 1,129,461	\$ 1,129,461
Total operating revenues	-	1,129,461	1,129,461
OPERATING EXPENSES			
Contract water & sewer expense-International Paper		1,130,344	1,130,344
Total operating expense	-	1,130,344	1,130,344
Operating income (loss)	-	(883)	(883)
NONOPERATING REVENUES			
Interest revenue - investments		883	883
Total nonoperating revenues	-	883	883
Change in net position	-	-	-
Total net position, beginning of year	-	-	-
Total net position, end of year	\$ -	\$ -	\$ -

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2019

	Lake Texarkana Water Supply Corporation	International Paper Company Water System Contract Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ -	\$ 1,078,270	\$ 1,078,270
Cash paid to suppliers	310,801	(1,209,003)	(898,202)
Cash paid to employees	-	-	-
Net cash provided from (used by) operating activities	<u>310,801</u>	<u>(130,733)</u>	<u>180,068</u>
Cash Flows from Capital and Related Financing Activities			
Capital improvement deposits paid	(47,358)	-	(47,358)
Interest received on capital improvement deposits	6,648	-	6,648
Net cash used by capital and related financing activities	<u>(40,710)</u>	<u>-</u>	<u>(40,710)</u>
Cash Flows from Investing Activities			
Interest received on investments	-	883	883
Net cash provided from investing activities	<u>-</u>	<u>883</u>	<u>883</u>
Net increase (decrease) in cash	270,091	(129,850)	140,241
Cash, beginning of year	<u>194,512</u>	<u>248,115</u>	<u>442,627</u>
Cash, end of year	<u>\$ 464,603</u>	<u>\$ 118,265</u>	<u>\$ 582,868</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2019

	Lake Texarkana Water Supply Corporation	International Paper Company Water System Contract Fund	Total
<u>Reconciliation of Operating Income (Loss) to</u>			
<u>Net Cash Provided From (Used By) Operating Activities</u>			
Operating Loss	\$ -	\$ (883)	\$ (883)
Adjustments to Reconcile Operating Income to			
Net Cash Provided From (Used By) Operating Activities			
(Increase) decrease in assets:			
Accounts receivable	-	(51,191)	(51,191)
Due from other funds	352,384	-	352,384
Increase (decrease) in liabilities:			
Accounts payable	3,878	(155,193)	(151,315)
Accrued liabilities	-	(4,671)	(4,671)
Due to other funds	-	81,205	81,205
Other payables	(45,461)	-	(45,461)
Total adjustments	310,801	(129,850)	180,951
Net cash provided from (used by) operating activities	\$ 310,801	\$ (130,733)	\$ 180,068

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the government and to other governments, on a cost-reimbursement basis.

Employee Benefit Fund – This fund is used to account for the contributions received from various other City funds and employees to pay medical benefits and life insurance premiums for covered City employees. Payments are made to a paying agent who determines coverage on claims submitted by employees.

Fleet Services Fund – This fund is used to account for the repair and maintenance on all vehicles and equipment by the City, excluding the Water Utilities.

City of Texarkana, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2019

	Employee Benefit	Fleet Services	Total
ASSETS			
Current assets			
Cash	\$ 1,753,472	\$ 246,473	\$ 1,999,945
Receivables (net of allowance for uncollectible)			
Accounts	77,860	-	77,860
Other government agencies	121,052	-	121,052
Due from other funds	21	-	21
Inventory	-	29,708	29,708
TOTAL ASSETS	<u>1,952,405</u>	<u>276,181</u>	<u>2,228,586</u>
LIABILITIES			
Current liabilities			
Accounts payable	571,847	39,347	611,194
Accrued liability	-	11,631	11,631
Due to other funds	928	-	928
TOTAL LIABILITIES	<u>572,775</u>	<u>50,978</u>	<u>623,753</u>
NET POSITION			
Unrestricted	1,379,630	225,203	1,604,833
TOTAL NET POSITION	<u>\$ 1,379,630</u>	<u>\$ 225,203</u>	<u>\$ 1,604,833</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2019

	Employee Benefit	Fleet Services	Total
OPERATING REVENUES			
Charges for services	\$ 6,112,180	\$ 147,391	\$ 6,259,571
Other	-	29,319	29,319
Total revenues	<u>6,112,180</u>	<u>176,710</u>	<u>6,288,890</u>
OPERATING EXPENSES			
Benefit payments	6,794,238	-	6,794,238
Cost of sales and service	-	1,197,619	1,197,619
Total expenditures	<u>6,794,238</u>	<u>1,197,619</u>	<u>7,991,857</u>
Operating loss	<u>(682,058)</u>	<u>(1,020,909)</u>	<u>(1,702,967)</u>
NONOPERATING REVENUES			
Interest revenue	43,642	8,257	51,899
Total nonoperating revenues	<u>43,642</u>	<u>8,257</u>	<u>51,899</u>
Income (loss) before transfers	(638,416)	(1,012,652)	(1,651,068)
Transfers in	-	860,265	860,265
Transfers out	<u>-</u>	<u>(2,778)</u>	<u>(2,778)</u>
Change in net position	(638,416)	(155,165)	(793,581)
Total net position - beginning	<u>2,018,046</u>	<u>380,368</u>	<u>2,398,414</u>
Total net position - ending	<u>\$ 1,379,630</u>	<u>\$ 225,203</u>	<u>\$ 1,604,833</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2019

	Employee Benefit	Fleet Services	Total
Cash Flows from Operating Activities			
Cash received from users	\$ 6,257,400	\$ -	\$ 6,257,400
Cash received from interfund services provided and used	-	208,436	208,436
Cash paid to suppliers	(6,794,238)	(851,336)	(7,645,574)
Cash paid to employees	-	(347,528)	(347,528)
Net cash used by operating activities	(536,838)	(990,428)	(1,527,266)
Cash flows from Noncapital Financing Activities			
Transfers to other funds	-	(2,778)	(2,778)
Transfers in from other funds	-	860,265	860,265
Net cash provided from noncapital financing activities	-	857,487	857,487
Cash Flows from Investing Activities			
Interest received from investments	43,642	8,257	51,899
Net cash provided from investing activities	43,642	8,257	51,899
Decrease in cash	(493,196)	(124,684)	(617,880)
Cash at beginning of year	2,246,668	371,157	2,617,825
Cash at end of year	\$ 1,753,472	\$ 246,473	\$ 1,999,945
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Used by Operating Activities</u>			
Operating loss	(682,058)	(1,020,909)	(1,702,967)
Adjustments to Reconcile Operating Loss to Net Cash			
Used by Operating Activities			
(Increase) Decrease in Assets			
Accounts receivable	17,729	-	17,729
Due from other government agencies	(118,664)	-	(118,664)
Inventory	-	(3,734)	(3,734)
Increase in Liabilities			
Accounts payable	245,248	31,726	276,974
Accrued payroll	-	2,489	2,489
Total adjustments	145,220	30,481	175,701
Net cash used by from operating activities	\$ (536,838)	\$ (990,428)	\$ (1,527,266)

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

Fiduciary Funds

Fiduciary Funds are established to account for assets held by the City in a trustee capacity, or as an agent for individuals, other governmental units, and/or other funds.

Agency Funds

Police Evidence Fund – This fund is used to account for evidence money seized by the Police Department. This money is held until disposition is directed by the courts.

Drug Enforcement Fund – This fund is used to account for evidence money seized by the Police Department, primarily in drug related cases. This money is held until disposition is directed by the courts.

City of Texarkana, Texas
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2019

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
POLICE EVIDENCE FUND				
Assets				
Cash	\$ 1,807	\$ -	\$ -	\$ 1,807
Total Assets	<u>1,807</u>	<u>-</u>	<u>-</u>	<u>1,807</u>
Liabilities				
Escrow Deposits	1,807	-	-	1,807
Total Liabilities	<u>1,807</u>	<u>-</u>	<u>-</u>	<u>1,807</u>
Net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DRUG ENFORCEMENT ESCROW FUND				
Assets				
Cash	\$ 24,617	\$ 520	\$ (5,791)	\$ 19,346
Total Assets	<u>24,617</u>	<u>520</u>	<u>(5,791)</u>	<u>19,346</u>
Liabilities				
Escrow deposits	24,617	6,711	(11,982)	19,346
Total liabilities	<u>24,617</u>	<u>6,711</u>	<u>(11,982)</u>	<u>19,346</u>
Net position	<u>\$ -</u>	<u>\$ (6,191)</u>	<u>\$ 6,191</u>	<u>\$ -</u>
TOTAL ALL AGENCY FUNDS				
Assets				
Cash	\$ 26,424	\$ 520	\$ (5,791)	\$ 21,153
Total assets	<u>26,424</u>	<u>520</u>	<u>(5,791)</u>	<u>21,153</u>
Liabilities				
Escrow deposits	26,424	6,711	(11,982)	21,153
Total liabilities	<u>26,424</u>	<u>6,711</u>	<u>(11,982)</u>	<u>21,153</u>
Net position	<u>\$ -</u>	<u>\$ (6,191)</u>	<u>\$ 6,191</u>	<u>\$ -</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Balance Sheet
Component Unit – Health Center
September 30, 2019

ASSETS

Cash	\$ 784,522
Receivables (net of allowance for uncollectible):	
Other government agencies	206,306
TOTAL ASSETS	990,828

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 89,457
Accrued payroll	25,329
Unearned revenue	60,369
TOTAL LIABILITIES	175,155

Fund Balances:

Unassigned	815,673
TOTAL FUND BALANCES	815,673

TOTAL LIABILITIES AND FUND BALANCES	\$ 990,828
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City of Texarkana, Texas
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit – Health Center
For the Year Ended September 30, 2019

REVENUES

Charges for services	\$ 297,440
Grants and entitlements	676,220
Investment earnings:	
Interest and dividends	18,052
Intergovernmental	228,293
Other	3,465
Total revenues	<u>1,223,470</u>

EXPENDITURES

Current:	
Health and welfare	1,028,501
Capital outlay	16,150
Total expenditures	<u>1,044,651</u>
Net change in fund balance	178,819
Fund balance at beginning of year	<u>636,854</u>
Fund balance at end of year	<u>\$ 815,673</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)



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Statistical Section

This part of the City of Texarkana, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Financial Trends – Schedule 1 through Schedule 6 – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity – Schedule 7 through Schedule 14 – These schedules contain information to help the reader assess the City's most significant local revenue sources, including property taxes and water and sewer revenue.

Debt Capacity – Schedule 15 through Schedule 19 – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information – Schedule 20 through Schedule 21 – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information – Schedule 22 through Schedule 24 – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Texarkana, Texas

Statistical Section

Net Position by Component

Last Ten Fiscal Years

Schedule 1

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
Net invested in capital assets	\$ 75,989,018	\$ 73,083,340	\$ 77,541,533	\$ 82,719,452
Restricted	3,527,351	22,377,550	16,346,523	13,196,487
Unrestricted	16,705,965	395,143	5,992,540	5,815,734
Total governmental activities net position	<u>\$ 96,222,334</u>	<u>\$ 95,856,033</u>	<u>\$ 99,880,596</u>	<u>\$ 101,731,673</u>
Business-type activities:				
Net invested in capital assets	\$ 56,910,208	\$ 58,447,526	\$ 59,671,961	\$ 58,503,625
Restricted	9,365,905	9,068,969	6,302,773	8,744,657
Unrestricted	4,719,398	4,782,683	4,317,249	2,932,377
Total business-type activities net position	<u>\$ 70,995,511</u>	<u>\$ 72,299,178</u>	<u>\$ 70,291,983</u>	<u>\$ 70,180,659</u>
Primary government				
Net invested in capital assets	\$ 132,899,226	\$ 131,530,866	\$ 137,213,494	\$ 141,223,077
Restricted	12,893,256	31,446,519	22,649,296	21,941,144
Unrestricted	21,425,363	5,177,826	10,309,789	8,748,111
Total primary government net position	<u>\$ 167,217,845</u>	<u>\$ 168,155,211</u>	<u>\$ 170,172,579</u>	<u>\$ 171,912,332</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Net Position by Component
Last Ten Fiscal Years
Schedule 1 (Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 83,155,796	\$ 85,106,547	\$ 85,391,477	\$ 86,912,466	\$ 88,593,873	\$ 90,171,459
8,118,578	4,277,958	4,342,782	12,305,856	8,726,421	6,257,365
11,274,308	4,979,007	4,051,074	(950,495)	459,243	(290,772)
<u>\$ 102,548,682</u>	<u>\$ 94,363,512</u>	<u>\$ 93,785,333</u>	<u>\$ 98,267,827</u>	<u>\$ 97,779,537</u>	<u>\$ 96,138,052</u>
\$ 57,691,676	\$ 58,283,054	\$ 58,709,850	\$ 59,720,017	\$ 59,005,503	\$ 58,371,989
10,809,056	10,183,541	8,914,641	7,062,511	4,801,378	-
2,000,694	(314,620)	2,757,977	5,602,110	4,245,709	10,551,212
<u>\$ 70,501,426</u>	<u>\$ 68,151,975</u>	<u>\$ 70,382,468</u>	<u>\$ 72,384,638</u>	<u>\$ 68,052,590</u>	<u>\$ 68,923,201</u>
\$ 140,847,472	\$ 143,389,601	\$ 144,101,327	\$ 146,632,483	\$ 147,599,376	\$ 148,543,448
18,927,634	14,461,499	13,257,423	19,368,367	13,527,799	6,257,365
13,275,002	4,664,387	6,809,051	4,651,615	4,704,952	10,260,440
<u>\$ 173,050,108</u>	<u>\$ 162,515,487</u>	<u>\$ 164,167,801</u>	<u>\$ 170,652,465</u>	<u>\$ 165,832,127</u>	<u>\$ 165,061,253</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas

Statistical Section

Changes in Net Position

Last Ten Fiscal Years

Schedule 2

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities:				
Current:				
General government	\$ 6,009,327	\$ 5,523,459	\$ 5,984,631	\$ 6,797,714
Public safety	17,460,252	17,142,327	17,624,401	16,886,838
Public works	7,271,760	7,117,788	7,461,167	7,498,517
Parks and recreation	2,906,975	3,027,226	2,918,560	3,379,678
Health and welfare	1,630,227	1,659,584	2,451,906	2,335,011
Interest on long-term debt	2,246,394	2,747,460	2,593,982	2,167,516
Total governmental activities expenses	<u>37,524,935</u>	<u>37,217,844</u>	<u>39,034,647</u>	<u>39,065,274</u>
Business-type activities:				
Water and Sewer	<u>16,154,126</u>	<u>15,592,718</u>	<u>15,840,902</u>	<u>15,813,999</u>
Total business-type activities expenses	<u>16,154,126</u>	<u>15,592,718</u>	<u>15,840,902</u>	<u>15,813,999</u>
Total primary government expenses	<u>\$ 53,679,061</u>	<u>\$ 52,810,562</u>	<u>\$ 54,875,549</u>	<u>\$ 54,879,273</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,057,194	\$ 957,111	\$ 583,956	\$ 981,567
Public safety	1,735,896	1,619,345	1,725,816	1,698,464
Other activities	678,445	645,522	581,768	748,273
Operating grants and contributions	1,552,787	1,133,876	2,467,647	1,851,104
Capital grants and contributions	293,158			566,142
Total governmental activities program revenues	<u>5,317,480</u>	<u>4,355,854</u>	<u>5,359,187</u>	<u>5,845,550</u>
Business-type activities:				
Charges for services:				
Water and sewer	15,259,196	16,030,015	16,136,042	15,642,192
Capital grants and contributions	199,074			39,387
Total business-type activities program revenues	<u>15,458,270</u>	<u>16,030,015</u>	<u>16,136,042</u>	<u>15,681,579</u>
Total primary government program revenues	<u>20,775,750</u>	<u>20,385,869</u>	<u>21,495,229</u>	<u>21,527,129</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Changes in Net Position
Last Ten Fiscal Years
Schedule 2 (Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 7,114,857	\$ 7,416,500	\$ 8,011,669	\$ 8,357,159	\$ 9,748,511	\$ 10,276,183
16,681,701	16,272,709	16,396,091	17,875,634	17,965,103	18,612,666
7,545,126	7,464,975	8,881,205	9,044,672	9,119,545	9,681,167
3,012,271	3,408,188	3,446,421	3,517,538	3,630,516	3,562,369
1,915,780	1,436,864	1,671,102	1,532,646	1,790,592	1,192,402
2,262,532	2,043,793	2,085,451	1,770,944	1,908,617	1,626,684
<u>38,532,267</u>	<u>38,043,029</u>	<u>40,491,939</u>	<u>42,098,593</u>	<u>44,162,884</u>	<u>44,951,471</u>
15,841,333	15,736,026	15,734,804	16,409,625	16,173,218	17,595,681
15,841,333	15,736,026	15,734,804	16,409,625	16,173,218	17,595,681
<u>\$ 54,373,600</u>	<u>\$ 53,779,055</u>	<u>\$ 56,226,743</u>	<u>\$ 58,508,218</u>	<u>\$ 60,336,102</u>	<u>\$ 62,547,152</u>
\$ 887,114	\$ 812,556		\$ 1,107,648	\$ 860,962	\$ 760,372
1,733,651	2,192,611	1,838,438	1,890,660	1,990,244	1,757,716
756,869	1,020,804	856,602	1,017,640	970,713	857,301
1,323,001	1,514,552	1,628,327	1,659,145	2,695,060	1,386,805
808,174					
<u>5,508,809</u>	<u>5,540,523</u>	<u>4,323,367</u>	<u>5,675,093</u>	<u>6,516,979</u>	<u>4,762,194</u>
15,198,786	15,448,372	16,775,322	17,130,716	17,663,399	16,768,896
38,071	118,869	39,327	39,365	22,539	-
<u>15,236,857</u>	<u>15,567,241</u>	<u>16,814,649</u>	<u>17,170,081</u>	<u>17,685,938</u>	<u>16,768,896</u>
<u>20,745,666</u>	<u>21,107,764</u>	<u>21,138,016</u>	<u>22,845,174</u>	<u>24,202,917</u>	<u>21,531,090</u>

(Continued)

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Changes in Net Position
Last Ten Fiscal Years
Schedule 2 (Continued)

	Fiscal Year			
	2010	2011	2012	2013
Net (Expense)/Revenue				
Governmental activities	\$ (32,207,455)	\$ (32,861,990)	\$ (33,675,460)	\$ (33,219,724)
Business-type activities	(695,856)	437,297	295,140	(132,420)
Total primary government net expense	<u>\$ (32,903,311)</u>	<u>\$ (32,424,693)</u>	<u>\$ (33,380,320)</u>	<u>\$ (33,352,144)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 13,584,920	\$ 13,655,104	\$ 15,577,638	\$ 15,763,817
Sales taxes	13,148,821	13,800,353	14,114,271	14,326,770
Franchise taxes	2,197,528	2,070,004	2,002,603	2,005,690
Other taxes	1,379,404	1,278,680	1,264,118	1,351,583
Unrestricted investment earnings	243,935	211,155	186,700	170,967
Gain on sale of capital assets				
Miscellaneous	1,451,676	1,211,493	1,235,793	365,470
Transfers	18,900	268,900	3,318,900	1,086,504
Total governmental activities	<u>32,025,184</u>	<u>32,495,689</u>	<u>37,700,023</u>	<u>35,070,801</u>
Business-type activities:				
Unrestricted investment earnings	48,472	65,121	50,601	38,346
Miscellaneous	1,655,675	1,070,149	965,964	1,069,254
Transfers	(18,900)	(268,900)	(3,318,900)	(1,086,504)
Total business-type activities program revenues	<u>1,685,247</u>	<u>866,370</u>	<u>(2,302,335)</u>	<u>21,096</u>
Change in Net Position				
Governmental activities	(182,271)	(366,301)	4,024,563	1,851,077
Business-type activities	989,391	1,303,667	(2,007,195)	(111,324)
Total primary government	<u>\$ 807,120</u>	<u>\$ 937,366</u>	<u>\$ 2,017,368</u>	<u>\$ 1,739,753</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Changes in Net Position
Last Ten Fiscal Years
Schedule 2 (Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (33,023,458)	\$ (32,502,506)	\$ (36,168,572)	\$ (36,423,500)	\$ (37,645,905)	\$ (40,189,277)
(604,476)	(168,785)	1,079,845	760,456	1,512,720	(826,785)
<u>\$ (33,627,934)</u>	<u>\$ (32,671,291)</u>	<u>\$ (35,088,727)</u>	<u>\$ (35,663,044)</u>	<u>\$ (36,133,185)</u>	<u>\$ (41,016,062)</u>
\$ 16,450,285	\$ 16,304,576	\$ 15,979,531	\$ 17,441,622	\$ 17,432,676	\$ 17,874,442
14,735,398	15,164,177	15,899,829	15,693,696	16,446,745	16,241,666
2,006,662	1,970,362	1,789,518	1,724,035	1,844,779	1,810,734
1,248,856	1,273,131	1,661,189	1,468,143	1,630,377	1,610,047
88,788	107,914	105,702	254,679	545,540	753,493
	89,385				
169,481	180,820	135,724	4,283,822	511,629	410,007
18,900	18,900	18,900	39,997	6,018,900	(152,597)
<u>34,718,370</u>	<u>35,109,265</u>	<u>35,590,393</u>	<u>40,905,994</u>	<u>44,430,646</u>	<u>38,547,792</u>
62,088	60,910	60,226	152,275	171,431	332,919
1,055,847	1,140,886	1,109,322	1,129,436	1,181,071	1,211,880
(18,900)	(18,900)	(18,900)	(39,997)	(6,018,900)	152,597
<u>1,099,035</u>	<u>1,182,896</u>	<u>1,150,648</u>	<u>1,241,714</u>	<u>(4,666,398)</u>	<u>1,697,396</u>
1,694,912	2,606,759	(578,179)	4,482,494	6,784,741	(1,641,485)
494,559	1,014,111	2,230,493	2,002,170	(3,153,678)	870,611
<u>\$ 2,189,471</u>	<u>\$ 3,620,870</u>	<u>\$ 1,652,314</u>	<u>\$ 6,484,664</u>	<u>\$ 3,631,063</u>	<u>\$ (770,874)</u>

(Concluded)

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Program Revenues by Function/Program
Last Ten Fiscal Years
Schedule 3

	Program Revenues				
	2010	2011	2012	2013	2014
Function/ Program					
Governmental activities:					
General government	\$ 1,385,662	\$ 1,049,720	\$ 750,688	\$ 1,145,219	\$ 1,061,405
Public safety	2,604,636	2,112,675	2,321,374	1,988,390	2,252,465
Public works	509,842	223,836	332,797	680,520	979,029
Parks and Recreation	296,044	315,563	527,139	365,251	355,000
Health and welfare	521,296	654,060	1,427,189	1,666,170	860,910
Subtotal governmental activities	<u>5,317,480</u>	<u>4,355,854</u>	<u>5,359,187</u>	<u>5,845,550</u>	<u>5,508,809</u>
<i>Business-type activities:</i>					
Water and sewer	<u>15,458,270</u>	<u>16,030,015</u>	<u>16,136,042</u>	<u>15,681,579</u>	<u>15,236,857</u>
Subtotal business-type activities	<u>15,458,270</u>	<u>16,030,015</u>	<u>16,136,042</u>	<u>15,681,579</u>	<u>15,236,857</u>
Total primary government	<u>\$ 20,775,750</u>	<u>\$ 20,385,869</u>	<u>\$ 21,495,229</u>	<u>\$ 21,527,129</u>	<u>\$ 20,745,666</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Program Revenues by Function/Program
Last Ten Fiscal Years
Schedule 3 (Continued)

Program Revenues				
2015	2016	2017	2018	2019
\$ 1,436,416	\$ 408,024	\$ 1,466,198	\$ 1,500,537	\$ 1,089,480
2,502,162	2,112,647	2,542,648	2,663,396	2,104,102
564,645	425,131	454,190	581,768	450,158
304,110	295,790	336,621	277,088	239,364
<u>733,190</u>	<u>1,081,775</u>	<u>875,436</u>	<u>1,494,190</u>	<u>879,090</u>
<u>5,540,523</u>	<u>4,323,367</u>	<u>5,675,093</u>	<u>6,516,979</u>	<u>4,762,194</u>
<u>15,567,241</u>	<u>16,814,649</u>	<u>17,170,081</u>	<u>17,685,938</u>	<u>16,768,896</u>
<u>15,567,241</u>	<u>16,814,649</u>	<u>17,170,081</u>	<u>17,685,938</u>	<u>16,768,896</u>
<u>\$ 21,107,764</u>	<u>\$ 21,138,016</u>	<u>\$22,845,174</u>	<u>\$ 24,202,917</u>	<u>\$21,531,090</u>

City of Texarkana, Texas
Statistical Section
Fund Balance, Governmental Funds
Last Ten Fiscal Years
Schedule 4

	Fiscal Year				
	2010	2011*	2012	2013	2014
General Fund					
Reserved	\$ 379,637				
Unreserved	1,550,244				
Nonspendable		93,257	101,081	98,990	93,432
Restricted		499,889	478,043	330,049	689,448
Committed					35,000
Assigned		2,172,462	462,852	36,021	128,739
Unassigned	3,371,709	2,785,910	7,808,993	10,327,257	9,304,806
Total General Fund	<u>\$ 5,301,590</u>	<u>\$ 5,551,518</u>	<u>\$ 8,850,969</u>	<u>\$10,792,317</u>	<u>\$ 10,251,425</u>
All Other Governmental Funds					
Reserved	\$ 25,434,284				
Unreserved, designated for					
Convention center	201,975				
Unreserved					
Special revenue fund	2,369,474				
Debt service fund	1,538,656				
Capital projects fund	469,315				
Nonspendable					
Special revenue fund		638,311	310,426	261,448	325,693
Restricted					
Special revenue fund		1,309,318	854,290	499,913	4,624,343
Debt service fund		670,992	318,394		
Capital projects fund		19,599,146	14,388,271	12,070,107	2,515,323
Committed					
Special revenue fund		1,911,341	1,751,275	1,149,318	1,112,025
Assigned					
Special revenue fund		697,434	1,371,484	862,925	942,542
Unassigned					
Special revenue fund		(23,568)	(338,733)	(340,465)	(139,462)
Debt service fund				(104,606)	(146,654)
Capital projects fund			(741,393)		
Total all other governmental funds	<u>\$ 30,013,704</u>	<u>\$ 24,802,974</u>	<u>\$ 17,914,014</u>	<u>\$14,398,640</u>	<u>\$ 9,233,810</u>

* The City implemented GASB Statement 54 in fiscal year 2011. Except for the unassigned category, conversion of prior year data to new categories is not possible at this time.

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City of Texarkana, Texas
Statistical Section
Fund Balance, Governmental Funds
Last Ten Fiscal Years
Schedule 4 (Continued)

Fiscal Year				
2015	2016	2017	2018	2019
88,297	90,247	91,371	90,274	88,838
675,143	648,797	658,975	689,749	725,081
-	20,848	-	-	-
268,073	145,932	149,274	9,247,919	4,770,190
10,511,161	12,003,407	13,215,235	8,655,483	9,846,341
<u>\$ 11,542,674</u>	<u>\$ 12,909,231</u>	<u>\$ 14,114,855</u>	<u>\$ 18,683,425</u>	<u>\$ 15,430,450</u>
411,561	353,067	380,453	372,047	599,833
568,030	882,022	953,099	1,724,450	3,889,715
	76,937	22,502	206,784	392,006
2,806,712	2,422,336	9,736,141	5,306,583	4,564,432
1,267,865	1,372,641	887,434	3,277,171	1,443,943
1,102,850	1,528,344	1,933,041	809,864	819,933
(94,755)	(173,131)	(221,313)	(139,103)	(120,784)
(173,968)				
(31,268)				
<u>\$ 5,857,027</u>	<u>\$ 6,462,216</u>	<u>\$ 13,691,357</u>	<u>\$ 11,557,796</u>	<u>\$ 11,589,078</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
Schedule 5

	Fiscal Year			
	2010	2011	2012	2013
REVENUES				
Taxes	\$ 30,258,026	\$ 30,846,064	\$ 33,042,265	\$ 33,432,131
Fees and permits	395,511	200,558	185,615	245,003
Charges for services	846,054	760,200	622,632	1,175,867
Municipal court	1,648,799	1,723,251	1,715,643	1,631,182
Grants and entitlements	1,013,367	766,275	1,999,673	794,466
Investment earnings	233,463	199,616	178,533	167,813
Intergovernmental	677,714	289,924	321,621	1,092,352
Sale of capital assets	-	780,731	-	-
Other	467,527	335,346	288,508	647,550
Total revenues	<u>35,540,461</u>	<u>35,901,965</u>	<u>38,354,490</u>	<u>39,186,364</u>
EXPENDITURES				
Current:				
General government	5,638,878	5,167,206	5,687,089	6,096,316
Public safety	16,291,717	15,479,970	15,729,556	15,370,410
Public works	4,004,301	4,077,566	3,815,722	3,843,357
Parks and recreation	2,282,880	2,342,064	2,133,616	2,393,470
Health and welfare	1,419,374	1,483,147	2,272,270	2,144,737
Miscellaneous	16,448	11,134	-	-
Capital outlay	6,115,692	6,859,040	12,141,083	4,651,366
Debt service:				
Principal retirement	2,552,290	3,472,228	3,788,802	3,780,647
Interest and fiscal charges	1,897,567	2,415,565	2,301,087	2,182,138
Bond issuance costs	394,530	-	219,427	193,000
Total expenditures	<u>40,613,677</u>	<u>41,307,920</u>	<u>48,088,652</u>	<u>40,655,441</u>
Excess (deficiency) of revenues over expenditures	<u>(5,073,216)</u>	<u>(5,405,955)</u>	<u>(9,734,162)</u>	<u>(1,469,077)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	593,911	1,510,273	4,277,448	4,472,167
Transfers out	(752,978)	(1,065,120)	(2,406,073)	(4,630,978)
Bonds issued	24,420,000	-	14,845,000	14,550,000
Tax notes issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	(11,805,488)	(15,788,017)
Bond premium	446,830	-	1,150,861	1,270,367
Capital lease	332,847	-	82,905	21,512
Discount on bonds issued	(92,725)	-	-	-
Total other financing sources (uses)	<u>24,947,885</u>	<u>445,153</u>	<u>6,144,653</u>	<u>(104,949)</u>
Net change in fund balances	<u>\$ 19,874,669</u>	<u>\$ (4,960,802)</u>	<u>\$ (3,589,509)</u>	<u>\$ (1,574,026)</u>
Debt Service as a percentage of noncapital expenditures	12.9%	17.1% #	16.9% #	16.6%

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
Schedule 5 (Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 33,976,724	\$ 34,290,500	\$ 35,562,155	\$ 36,156,991	\$ 37,452,474	\$ 37,582,888
241,751	726,386	579,704	596,610	554,698	724,420
560,530	377,102	868,486	956,020	983,120	1,095,467
1,652,149	2,023,923	1,671,117	1,733,350	1,826,561	1,422,961
626,421	369,114	258,240	708,218	1,726,751	745,989
79,017	82,785	96,316	180,985	494,331	700,925
1,518,657	1,006,232	923,001	633,866	1,081,302	913,126
-	-	-	-	-	-
447,449	357,902	632,649	556,701	483,478	746,008
39,102,698	39,233,944	40,591,668	41,522,741	44,602,715	43,931,784
5,778,132	6,500,409	7,144,935	7,789,701	8,295,387	7,753,710
14,913,921	14,900,200	14,033,527	14,989,492	15,305,697	15,503,976
4,085,840	4,674,794	5,069,600	5,149,470	5,142,191	5,443,261
2,234,747	2,429,448	2,428,568	2,381,295	2,437,334	2,708,328
1,727,656	1,073,624	1,483,091	1,286,529	1,586,089	1,192,402
-	-	-	-	-	-
8,921,568	5,152,652	3,136,260	9,459,729	8,593,001	3,717,535
3,747,283	3,639,164	3,643,800	3,730,323	3,791,639	8,106,130
2,047,350	1,939,214	1,851,466	1,538,361	2,102,754	1,929,912
-	-	-	449,593	-	-
43,456,497	40,309,505	38,791,247	46,774,493	47,254,092	46,355,254
(4,353,799)	(1,075,561)	1,800,421	(5,251,752)	(2,651,377)	(2,423,470)
995,874	1,089,860	1,621,310	2,171,120	7,366,390	6,506,530
(2,392,810)	(2,186,683)	(2,627,481)	(3,052,626)	(2,436,585)	(7,345,117)
-	-	-	23,250,000	-	-
-	-	-	-	-	-
-	-	-	(9,792,779)	-	-
-	-	-	1,110,802	-	-
45,013	86,851	1,177,496	-	156,581	40,364
-	-	-	-	-	-
(1,351,923)	(1,009,972)	171,325	13,686,517	5,086,386	(798,223)
\$ (5,705,722)	\$ (2,085,533)	\$ 1,971,746	\$ 8,434,765	\$ 2,435,009	\$ (3,221,693)
16.8%	15.9%	15.4%	15.3%	15.2%	23.5%

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Tax Revenue by Source, Governmental Funds
Last Ten Fiscal Years
Schedule 6

Fiscal Year	Property	Sales and Use	Franchise	Other	Total
2010	13,606,421	13,148,821	2,197,528	1,305,256	30,258,026
2011	13,666,358	13,800,353	2,070,004	1,309,349	30,846,064
2012	15,629,446	14,114,271	2,002,603	1,295,945	33,042,265
2013	15,762,593	14,326,770	2,005,689	1,337,079	33,432,131
2014	15,993,035	14,735,398	2,006,662	1,241,629	33,976,724
2015	15,886,472	15,164,177	1,891,699	1,348,152	34,290,500
2016	16,186,609	15,899,829	1,868,181	1,607,536	35,562,155
2017	17,178,991	15,693,696	1,724,035	1,560,269	36,156,991
2018	17,510,391	16,446,745	1,844,778	1,650,560	37,452,474
2019	17,920,441	16,241,666	1,810,734	1,610,047	37,582,888
Percentage change	2.34%	-1.25%	-1.85%	-2.45%	0.35%

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Assessed and Estimated Actual Value of Taxable Property
(per \$100 of assessed value)
Last Ten Fiscal Years
Schedule 7

Fiscal Year	Tax Roll Year	Personal Property Assessed Value	Real Property Assessed Value	Total Property Assessed Value	Tax Rate (1)	Gross Tax Levy
2010	2009	388,655,480	1,995,610,045	2,384,265,525	0.5831	13,902,652
2011	2010	366,108,919	2,020,757,448	2,386,866,367	0.5831	13,917,818
2012	2011	356,579,341	2,048,746,535	2,405,325,876	0.669293	16,098,678
2013	2012	366,695,306	2,046,730,722	2,413,426,028	0.669293	16,152,891
2014	2013	369,660,911	2,081,673,471	2,451,334,382	0.669293	16,406,609
2015	2014	369,666,514	2,089,129,528	2,458,796,042	0.669293	16,456,550
2016	2015	385,406,566	2,089,714,475	2,475,121,041	0.669293	16,565,812
2017	2016	409,551,523	2,117,305,243	2,526,856,766	0.700000	17,687,997
2018	2017	406,030,360	2,150,060,844	2,556,091,204	0.700000	17,892,638
2019	2018	403,949,371	2,200,563,940	2,604,513,311	0.700000	18,231,593

Note:

(1) Tax rate per \$100 of assessed value.

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Assessed and Estimated Actual Value of Taxable Property
(per \$100 of assessed value)
Last Ten Fiscal Years
Schedule 7 (Continued)

Frozen Items & Late Penalty Gain	Total Tax Levy	Adjustments	Adjusted Tax Levy	Tax Distribution		
				General Fund	Debt Service	TIRZ #1
(395,227)	13,507,427	(64,321)	13,443,107	9,182,349	4,325,078	-
(384,811)	13,533,009	(6,218)	13,526,791	8,925,019	4,502,432	105,558
(619,201)	15,479,476	(7,400)	15,472,076	10,208,714	5,150,022	120,740
(553,382)	15,599,509	(9,090)	15,590,419	10,280,076	5,146,278	173,155
(520,491)	15,886,117	(45,380)	15,840,737	10,364,103	5,075,614	446,400
(456,263)	16,000,287	(191,570)	15,808,717	10,656,177	5,036,884	307,205
(453,708)	16,112,104	(60,396)	16,051,708	10,847,744	4,768,963	435,001
(501,103)	17,186,894	30,201	17,217,095	12,253,406	4,435,124	528,565
(479,985)	17,412,654	(24,226)	17,388,428	11,787,615	4,988,740	612,073
(478,145)	17,753,448	(11,080)	17,742,368	13,199,341	3,948,944	594,083

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City of Texarkana, Texas
Statistical Section
District and Overlapping Property Tax Rates
(per \$100 of assessed value)
Last Ten Fiscal Years
Schedule 8

Fiscal Year	City Direct Rates			Total City Direct Rate
	General	General Obligation Debt Service	TIRZ #1	
2010	0.3964	0.1867		0.5831
2011	0.3846	0.194	0.0045	0.5831
2012	0.441429	0.222636	0.005228	0.669293
2013	0.41819	0.24368	0.00743	0.669293
2014	0.436613	0.213842	0.018838	0.669293
2015	0.445789	0.21068	0.012824	0.669293
2016	0.452287	0.198844	0.018162	0.669293
2017	0.498151	0.180332	0.021517	0.70000
2018	0.475102	0.200862	0.024036	0.70000
2019	0.520908	0.156000	0.023292	0.70000

Source: Bowie Central Appraisal District

Notes: Overlapping rates are those of local and county governments that apply to the property owners within the City of Texarkana, Texas. Not all overlapping rates apply to all City property owners.

City of Texarkana, Texas
Statistical Section
District and Overlapping Property Tax Rates
(per \$100 of assessed value)
Last Ten Fiscal Years
Schedule 8 (Continued)

Overlapping Rates					
Texarkana Independent School District	Bowie County	Texarkana College	Liberty-Eylau Independent School District	Pleasant Grove Independent School District	Red Lick Independent School District
1.339	0.3262	0.097527	1.29388	1.44	
1.339	0.3262	0.097527	1.29388	1.44	
1.339	0.3262	0.105339	1.29622	1.44	
1.339	0.3612	0.10527	1.26126	1.44	
1.339	0.47361	0.105267	1.26102	1.44	
1.425	0.399173	0.105267	1.261	1.44	
1.425	0.399173	0.105267	1.261	1.44	
1.425	0.424322	0.110718	1.37	1.44	
1.425	0.0424322	0.118115	1.37	1.44	1.18
1.425	0.0424322	0.118115	1.37	1.455	1.18

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Principal Property Taxpayers
Current Year and Nine Years Ago
Schedule 9

Taxpayer	Rank	2019	
		2018 Assessed Valuation (1) (2)	Percentage of Total Assessed Valuation
AEP Southwestern Electric Power Co.	1	\$ 26,933,087	1.03%
Christus Health Ark La Tx	2	24,758,358	0.95%
GG&A Central Mall Partners	3	23,540,205	0.90%
MPT of Texarkana - Steward LLC	4	18,635,623	0.72%
Rancho Texarkana Investors LLC	5	17,936,171	0.69%
Dillard Texas Four-Point LLC	6	14,155,389	0.54%
Sterno Candle Lamp	7	13,158,960	0.51%
LPG Apartments LP	8	12,352,544	0.47%
Arklatex Real Estate LP	9	12,191,895	0.47%
William Gregg Orr	10	11,851,612	0.46%
Walmart Stores #01-2123			
Candle Corporation of America			
Richmond Road Apartments LP			
Arden Texarkana LLC ETAL			
Condeb LP			
Total principal taxpayers		<u>\$ 175,513,844</u>	<u>6.74%</u>

(1) Net of exemptions

(2) Source - Bowie Central Appraisal District

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Principal Property Taxpayers
Current Year and Nine Years Ago
Schedule 9 (Continued)

2010		
Rank	2009 Assessed Valuation (1) (2)	Percentage of Total Assessed Valuation
3	\$ 21,974,640	0.92%
1	110,835,270	4.65%
2	32,621,506	1.37%
5	14,159,015	0.59%
8	10,795,793	0.45%
7	11,865,618	0.50%
10	10,545,480	0.44%
4	14,443,896	0.61%
6	13,661,500	0.57%
9	10,630,222	0.45%
	<u>\$ 251,532,940</u>	<u>10.55%</u>

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City of Texarkana, Texas
Statistical Section
Property Tax Levies and Collections
Last Ten Fiscal Years
Schedule 10

Fiscal Year	Tax Roll Year	Total Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage		Amount	Percentage
2010	2009	13,443,105	13,061,209	97.16%	349,410	13,410,619	99.76%
2011	2010	13,526,788	13,150,342	97.22%	342,958	13,493,300	99.75%
2012	2011	15,472,077	15,117,864	97.71%	311,524	15,429,389	99.72%
2013	2012	15,590,419	15,256,890	97.86%	282,507	15,539,398	99.67%
2014	2013	15,840,738	15,514,090	97.94%	272,086	15,786,176	99.66%
2015	2014	15,808,717	15,452,342	97.75%	286,613	15,738,955	99.56%
2016	2015	16,051,708	15,748,536	98.11%	227,824	15,976,360	99.53%
2017	2016	17,217,095	16,814,025	97.66%	295,613	17,109,638	99.38%
2018	2017	17,388,427	17,037,845	97.98%	179,607	17,217,451	99.02%
2019	2018	17,742,368	17,400,106	98.07%	-	17,400,106	98.07%

Ad valorem taxes are levied on October 1 of each year.

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City of Texarkana, Texas
Statistical Section
Direct and Overlapping Sales Tax Rates
(per \$100 of assessed value)
Last Ten Fiscal Years
Schedule 11

Fiscal Year	City Direct Rate	Bowie County
2010	1.50%	0.50%
2011	1.50%	0.50%
2012	1.50%	0.50%
2013	1.50%	0.50%
2014	1.50%	0.50%
2015	1.50%	0.50%
2016	1.50%	0.50%
2017	1.50%	0.50%
2018	1.50%	0.50%
2019	1.50%	0.50%

Source: Texas Comptroller Website

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas

Statistical Section

Water Sold by Type of Customer – Texarkana, Texas Water Utilities

(in thousands of gallons)

Last Ten Fiscal Years

Schedule 12

Type of Customer	2010	2011	2012	2013
Residential	926,250	1,164,446	1,141,614	1,027,446
Commercial	596,290	735,020	769,874	717,174
Member Cities	928,052	1,014,877	1,071,608	952,637
Wholesale	717,840	683,856	650,888	958,491
Total	<u>3,168,432</u>	<u>3,598,199</u>	<u>3,633,984</u>	<u>3,655,748</u>
Total Direct Rate per 1,000 Gallons				
Residential (2)	3.01	3.01	3.01	3.01
>0-2,000				
>2,000-5,000				
>5,000-7,000				
>7,000-10,000				
>10,000				
Commercial (2)	2.26	2.26	2.26	2.26
>0-2,000				
>2,000-5,000				
>5,000-7,000				
>7,000-10,000				
>10,000				
Member Cities	0.77	0.65	0.83	0.7308

(1) Includes TexAmericas Center usage of 271,950 (in 000's) since pass-through usage serving RRAI is billed at Member City consensus rate.

(2) TWU adopted tiered structure for water rates during FY 2016.

City of Texarkana, Texas
Statistical Section
Water Sold by Type of Customer – Texarkana, Texas Water Utilities
(in thousands of gallons)
Last Ten Fiscal Years
Schedule 12 (Continued)

2014	2015	2016	2017	2018	2019
1,417,354	1,376,505	1,287,088	1,188,352	1,309,564	1,274,485
991,064	951,031	973,341	904,554	956,902	940,855
874,055	817,986	850,476	872,256	1,137,326	1,039,938
<u>948,195</u>	<u>918,397</u>	<u>995,876</u>	<u>1,021,527</u>	<u>742,249 (1)</u>	<u>733,093 (1)</u>
<u>4,230,668</u>	<u>4,063,919</u>	<u>4,106,781</u>	<u>3,986,689</u>	<u>4,146,041</u>	<u>3,988,371</u>
3.01	3.01	1.75	1.75	1.75	1.80
		2.00	2.00	2.00	2.06
		3.25	3.25	3.25	3.34
		3.75	3.75	3.75	3.86
		4.00	4.00	4.00	4.11
2.26	2.26	3.25	3.25	3.25	3.341
		3.25	3.25	3.25	3.341
		3.25	3.25	3.25	3.341
		3.25	3.25	3.25	3.341
		3.25	3.25	3.25	3.341
0.7448	0.7275	0.7986	0.8109	0.8914	0.9006

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Water and Sewer Rates – Texarkana, Texas Water Utilities
Last Ten Fiscal Years
Schedule 13

Fiscal Year	Water		Sewer	
	Monthly Minimum 2000 Gals	Rate per 1000 Gals Over Minimum	Monthly Minimum 2000 Gals	Rate per 1000 Gals Over Minimum
Residential				
2010	8.15	3.01	10.52	3.77
2011	8.15	3.01	10.52	3.77
2012	8.15	3.01	10.52	3.77
2013	8.15	3.01	10.52	3.77
2014	8.15	3.01	10.52	3.77
2015	8.15	3.01	10.52	3.77
2016	8.15	(3)	10.52	3.77
2017	8.15	(3)	10.52	3.77
2018	8.15	(3)	10.52	3.77
2019	8.38	(3)	10.81	3.88
>0-2,000		1.80		
>2,000-5,000		2.06		
>5,000-7,000		3.34		
>7,000-10,000		3.86		
>10,000		4.11		
Commercial				
2010	9.28	2.26	10.52	4.41
2011	9.28	2.26	10.52	4.41
2012	9.28	2.26	10.52	4.41
2013	9.28	2.26	10.52	4.41
2014	9.28	2.26	10.52	4.41
2015	9.28	2.26	10.52	4.41
2016	9.28	(3)	10.52	4.41
2017	9.28	(3)	10.52	4.41
2018	9.28	(3)	10.52	4.41
2019	9.54	(3)	10.81	4.53
>0-2,000		3.34		
>2,000-5,000		3.34		
>5,000-7,000		3.34		
>7,000-10,000		3.34		
>10,000		3.34		

Note: (3) TWU adopted tiered structure for water rates during FY2016

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas

Statistical Section

Principal Water and Sewer Revenue Payers – Texarkana, Texas Water Utilities

Current Year and Nine Years Ago

Schedule 14

Payer	Rank (1)	2019		Rank (1)	2010	
		Water & Sewer Revenue	Percentage of Total Water & Sewer Revenue		Water & Sewer Revenue	Percentage of Total Water & Sewer Revenue
Christus St Michael Hospital	1	\$ 404,548	3.31%	3	\$ 241,544	2.07%
Federal Correctional Institute	2	604,530	4.95%	1	754,019	6.45%
TCI (Alcoa)	3	143,922	1.18%			
LaSalle Southwest Corrections	4	193,082	1.58%			
Wadley Hospital	5	133,911	1.10%	4	155,653	1.33%
City of Texarkana, Texas	6	119,356	0.98%			
ASI	7	119,482	0.98%			
Texarkana, Texas ISD	8	145,247	1.19%	6	167,910	1.44%
River Crossing Apartments	9	126,142	1.03%	8	108,702	0.93%
Texas A&M University-Texarkana	10	100,355	0.82%			
Texarkana Housing Authority				2	274,069	2.35%
Brighton Manor/Woodlands Apts				5	384,799	3.29%
Civigenics Texas Inc.				7	136,047	1.16%
Texarkana College				9	75,455	0.65%
Town North Apartments				10	85,787	0.73%
Totals		<u>\$ 2,090,575</u>	17.12%		<u>\$ 2,383,985</u>	19.67%

(1) Ranking is computed based on consumption (number of gallons), not revenue.

City of Texarkana, Texas
Statistical Section
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Schedule 15

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Leases
2010	16,509,387	43,564,165	1,160,000	254,195
2011	15,108,573	42,021,874	1,040,000	148,537
2012	15,808,814	42,125,475	860,000	86,295
2013 (3)(4)	27,636,147	27,263,094		46,935
2014	27,290,448	25,964,808		54,177
2015	25,298,564	24,131,334		96,864
2016	22,741,681	22,987,860		106,088
2017	29,249,798	22,934,384		64,230
2018	24,395,000	26,515,000		150,578
2019	18,335,000	24,705,000		639,414

- (1) See Demographic and Economic Statistics Schedule for personal income and population data
(2) The City issued \$4,115,000 in Certificates of Obligation in 2012.
(3) The City issued \$14,550,000 in General Obligation Refunding Bonds in 2013.
(4) The City issued \$2,200,000 in Revenue Bonds in 2013.
(5) The City issued \$9,090,000 in General Obligation Refunding Bonds in 2016.
(6) The City issued \$14,160,000 in Certificates of Obligation in 2017.

City of Texarkana, Texas
Statistical Section
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Schedule 15 (Continued)

Business-type Activities				
Water Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
4,478,878	5,685,765	71,652,390	7.77%	1,968
3,971,711	5,497,784	67,788,479	8.09%	1,862
2,689,544	5,229,477	66,799,605	7.87%	1,835
4,489,191	4,985,995	64,421,362	7.47%	1,769
4,132,463	4,734,592	62,176,488	6.91%	1,666
3,727,670	4,516,570	57,771,002	6.33%	1,526
3,325,000	4,132,943	53,293,572	5.80%	1,409
2,890,000	3,731,217	58,869,629	6.10%	1,554
2,645,000	3,307,629	57,013,207	5.93%	1,508
2,395,000	2,866,639	48,941,053	5.12%	1,290

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Ratios of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per
Capita
Last Ten Fiscal Years
Schedule 16

Fiscal Year		Population (1)	Assessed Value	Gross Bonded Debt (2)
2010	(3)	36,411	2,386,866,367	65,712,430
2011		36,411	2,170,196,575	62,142,158
2012		36,411	2,484,070,082	61,483,833
2013		36,998	2,413,426,028	59,388,432
2014		37,332	2,451,334,382	57,387,719
2015		37,857	2,458,796,042	53,157,568
2016		37,831	2,475,121,041	49,054,541
2017		37,887	2,526,856,766	55,074,182
2018		37,818	2,556,091,204	55,938,352
2019		37,544	2,604,513,311	47,503,621

Notes:

- (1) Estimate of City Planning Department which is from U.S. Census.
- (2) Excluding International Paper Company revenue bonds and including certificates of obligations issued for water and sewer programs.
- (3) 2010 Census Redistricting Data (Public Law 94-171) Summary File, Tables P1 and H1

City of Texarkana, Texas

Statistical Section

Ratios of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Schedule 16 (Continued)

Less Debt Service Funds	Less Debt Payable From Enterprise Funds (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1,538,656	4,478,878	59,694,896	2.50	1,639
670,992	3,971,711	57,499,455	2.65	1,579
318,397	2,689,544	58,475,892	2.35	1,606
-	4,489,191	54,899,241	2.27	1,484
-	4,132,463	53,255,256	2.17	1,427
-	3,727,670	49,429,898	2.01	1,306
76,937	3,325,000	45,652,604	1.84	1,207
22,502	2,890,000	52,161,680	2.06	1,377
206,784	2,645,000	53,086,568	2.08	1,404
392,006	2,383,497	44,728,118	1.72	1,191

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City of Texarkana, Texas
Statistical Section
Direct and Overlapping Governmental Activities Debt
September 30, 2019
Schedule 17

Jurisdiction	Outstanding Debt	Percentage of Debt Applicable to City of Texarkana	Amount Applicable to City of Texarkana
Direct:			
City of Texarkana, Texas	\$ 48,941,053	100.00%	<u>\$ 48,941,053</u>
Overlapping:			
Texarkana Independent School District	42,952,461	70.74%	30,384,571
Texarkana College		45.99%	-
Bowie County	27,228,050	51.49%	14,019,723
Liberty-Eylau Independent School District	23,810,000	37.57%	8,945,417
Pleasant Grove School District	45,855,000	78.41%	35,954,906
Red Lick Independent School District	4,365,000	7.20%	<u>314,280</u>
Subtotal - Overlapping debt			<u>89,618,897</u>
Total direct and overlapping			<u><u>\$ 138,559,950</u></u>
Per capita overlapping debt			<u><u>\$ 3,691</u></u>

Source - City and County tax records

Note - Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Texarkana, Texas. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Texarkana, Texas
Statistical Section
Legal Debt Margin
Last Ten Fiscal Years
Schedule 18

	2010	2011	2012	2013
Assessed value of real property	<u>\$ 1,995,610,045</u>	<u>\$ 2,020,757,448</u>	<u>\$ 2,048,746,535</u>	<u>\$ 2,046,730,722</u>
Debt limit - 25% of assessed value of real property	<u>\$ 498,902,511</u>	<u>\$ 505,189,362</u>	<u>\$ 512,186,634</u>	<u>\$ 511,682,681</u>
Total general obligation bonded debt	16,509,387	15,108,573	15,808,814	27,636,147
Less amount available in Debt Service Fund	<u>(1,538,656)</u>	<u>(670,992)</u>	<u>(318,397)</u>	<u>-</u>
Total amount of debt applicable to debt limit	<u>14,970,731</u>	<u>14,437,581</u>	<u>15,490,417</u>	<u>27,636,147</u>
Legal debt margin	<u>\$ 483,931,780</u>	<u>\$ 490,751,781</u>	<u>\$ 496,696,217</u>	<u>\$ 484,046,534</u>

Notes:

There is a rate limitation of \$2.50 per \$100 of assessed value imposed by the Texas Constitution and City Charter.

Article 3, Section 53 of the Texas Constitution limits the legal debt to 25% of the assessed valuation of the real property.

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Legal Debt Margin
Last Ten Fiscal Years
Schedule 18 (Continued)

2014	2015	2016	2017	2018	2019
<u>\$ 2,081,673,471</u>	<u>\$ 2,089,129,528</u>	<u>\$ 2,089,714,475</u>	<u>\$ 2,117,305,243</u>	<u>\$ 2,150,060,844</u>	<u>\$ 2,200,563,940</u>
<u>\$ 520,418,368</u>	<u>\$ 522,282,382</u>	<u>\$ 522,428,619</u>	<u>\$ 529,326,311</u>	<u>\$ 537,515,211</u>	<u>\$ 550,140,985</u>
27,290,448	25,298,564	22,741,680	29,249,798	24,395,000	18,335,000
<u>-</u>	<u>-</u>	<u>(76,937)</u>	<u>(22,502)</u>	<u>(206,784)</u>	<u>(391,806)</u>
<u>27,290,448</u>	<u>25,298,564</u>	<u>22,664,743</u>	<u>29,227,296</u>	<u>24,188,216</u>	<u>17,943,194</u>
<u>\$ 493,127,920</u>	<u>\$ 496,983,818</u>	<u>\$ 499,763,876</u>	<u>\$ 500,099,014</u>	<u>\$ 513,326,995</u>	<u>\$ 532,197,791</u>

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City of Texarkana, Texas
Statistical Section
Pledged Revenue Coverage (1)
Last Ten Fiscal Years
Schedule 19

Fiscal Year	Gross Revenue(2)	Operating Expenses (3)	Net Revenue Available For Debt Service	Debt Service Requirements (4)	Coverage
2010	\$15,983,461	\$ 11,459,098	\$ 4,524,363	\$ 697,624	6.49
2011	16,204,481	11,025,853	5,178,628	698,252	7.42
2012	16,311,709	11,314,900	4,996,809	1,457,656	3.43
2013	15,847,484	11,418,138	4,429,346	492,840	8.99
2014	15,269,056	11,064,894	4,204,162	559,088	7.52
2015	15,767,506	11,261,328	4,506,178	562,188	8.02
2016	16,864,947	11,262,109	5,602,838	560,647	9.99
2017	17,313,475	11,650,159	5,663,316	566,159	10.00
2018	17,930,971	11,279,978	6,650,993	360,819	18.43
2019	17,174,995	12,434,904	4,740,091	357,663	13.25

Notes:

- (1) Exclusive of Lake Texarkana Water Supply Corporation and International Paper Company utility operations and obligations.
- (2) Total revenue includes interest income on investments and payments received from Texarkana, Arkansas Utilities for debt service on revenue bonds issued for construction on direct financing lease facilities.
- (3) Operating expenses exclude depreciation and amortization.
- (4) Principal and interest on revenue bonds only. Amounts do not include payments on obligations under capital leases.

City of Texarkana, Texas
Statistical Section
Demographic and Economic Statistics
Last Ten Fiscal Years
Schedule 20

Fiscal Year	Population	Median Age	Per Capita Income	Unemployment Rate	Personal Income (2)
2010	36,411 (1)	36.4 (3)	25,336 (3)	7.2 (3)	922,509,096
2011	36,411 (3)	38 (3)	23,007 (3)	7.9 (3)	837,707,877
2012	36,411 (3)	36.5 (3)	23,297 (3)	5.7 (3)	848,267,067
2013	36,998 (3)	36.5 (3)	23,297 (3)	6.8 (3)	861,942,406
2014	37,332 (3)	37 (3)	24,118 (3)	5.8 (3)	900,373,176
2015	37,857 (3)	37 (3)	24,095 (3)	4.8 (3)	912,164,415
2016	37,831 (3)	37 (3)	24,285 (3)	4.6 (3)	918,725,835
2017	37,887 (3)	37.4 (3)	25,491 (3)	4.1 (3)	965,777,517
2018	37,818 (3)	37.5 (3)	25,425 (3)	5.2 (3)	961,522,650
2019	37,544 (3)	37.8 (3)	25,202 (3)	4.0 (3)	946,183,888

Notes:

(1) 2010 U. S. Census. (City of Texarkana, Texas)

(2) Personal income calculated by multiplying estimated population by per capita income.

(3) Economic Development Director, City of Texarkana, Texas



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City of Texarkana, Texas
Statistical Section
Principal Employers, Metropolitan Statistical Area (MSA) – Texarkana, Texas and
Texarkana, Arkansas
Current Year and Nine Years Ago
Schedule 21

Employer	2019			2010		
	Employees	Rank	Percentage of Total MSA Employ- ment (1)	Employees	Rank	Percentage of Total MSA Employ- ment (2)
Red River Army Depot and Tenants	3,797	1	6.05%	7,200	1	11.54%
Christus St. Michael Health Care	1,902	2	3.03%	1,850	3	2.97%
Cooper Tire & Rubber	1,750	3	2.79%	1,860	2	2.98%
Texarkana Texas ISD	1,200	4	1.91%	795	8	1.27%
Southern Refrigerated Transport	1,115	5	1.78%	750	10	1.20%
Wal-Mart/Sam's	1,091	6	1.74%	1,100	5	1.76%
Graphic Packaging (International Paper)	829	7	1.32%	925	6	1.48%
Domtar (Georgia Pacific)	800	8	1.27%	1,150	4	1.84%
DLA Distribution	731	9	1.16%			0.00%
Wadley Regional Medical Ctr	719	10	1.14%	850	7	1.36%
Texarkana Arkansas School District				785	9	1.26%
Total	13,934		22.19%	17,265		27.66%

Source:
Chamber of Commerce, Texas Workforce Commission LMI Tracer

Notes:
(1) MSA employment for 2019 is 62,805.
(2) MSA employment for 2009 is 62,380.

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City of Texarkana, Texas
Statistical Section
Full-Time-Equivalents City Government Employees by Function/Program
Last Ten Fiscal Years
Schedule 22

	2010	2011	2012	2013	2014
General government					
Purchasing- General Services	3	3	3	0	0
Finance / Accounting	6	6	6	8	8
Building Maintenance	3	3	3	3	2
City Manager	1	1	1	1	2
City Secretary	2	2	2	2	3
Research and Vital Statistics	2	2	2	2	3
Human Resources	5	4	4	4	4
City Attorney	0	0	0	0	0
Municipal Court	8	9	8	8.5	7.5
Quality Assurance	1	1	1	1	0
Marketing	1	2	2	1.5	1
Public safety					
Police Administration	7	5	11	9	8
Uniform Services- Patrol	69	72	66	63	62
Support Services	10	31.5	31.5	32	31
Criminal Investigation	18.5	0	0	0	0
CMV Enforcement Unit	2	2	2	0	0
Narcotics	4	3	0	0	0
Fire Administration	3	3	2	3	4
Fire Operations	72	72	73	72	70
Fire Prevention	4	4	0	5	6
Fire Training	2	2	0	0	0
Emergency Management	2	2	2	0	0
Public works					
Public Works Administration	0	0	0	0	0
Engineering	7	7	7	4	4
Engineering & Infrastructure Administration	2	2	2	2	2
Street Maintenance	38	38	38	32	30
Building Inspection	7	7	7	7	6
Sign and Signal	6	6	6	6	5
P&Z/Comm & PW Administration	2	2	2	1.5	0
Code Enforcement	3	3	3	3	3
Stormwater Management	0	0	2	2	2
Health and welfare					
Community Development	3	3	3.5	5	5
Environmental Services	2	2	2	2	2
Environmental Health Services	1	1	1	1	1
Demolition	1	1	0	0	0
Animal Control	2	2	2	2	2

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City of Texarkana, Texas

Statistical Section

Full-Time-Equivalents City Government Employees by Function/Program

Last Ten Fiscal Years

Schedule 22 (Continued)

2015	2016	2017	2018	2019
0	0	0	0	0
8	8	8	8	7
0	0	0	0	0
9	10	11	9	7.5
0	0	0	0	0
0	0	0	0	0
4	4	5	5	5
0	0	0	0	0
9.5	8.5	8.5	8.5	7.5
0	0	0	0	0
0	0	0	0	0
6	2	2	2	2
61	59	62	66	61
31	39	37	37	36
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
81	78	79	81	81
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
3	2	7	5	7
2	1	1	2	2
36	36	39	42	43
13	12	13	11	12
6	6	0	0	0
0	0	0	0	0
0	0	0	0	0
2	2	0	0	0
5.5	5.5	6	6	4.5
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

City of Texarkana, Texas
Statistical Section
Full-Time-Equivalents City Government Employees by Function/Program
Last Ten Fiscal Years
Schedule 22 (Continued)

	2010	2011	2012	2013	2014
Economic Development	0	0	0	0	0
Parks and recreation					
Parks Administration	2	2	2	2	2
Parks Maintenance	19	19	19	20	21
Recreational Programs	3.5	3.5	3.5	3	3
Senior Citizen Programs	1	1	1	1	1
Community Center / Weed & Seed	1	1	1	1	1
Teen Court	1	0	0	0	0
Veterans Affairs	1	1	1	0.5	0.5
Family Health Center					
Administration	4	3.15	3	4	4
Community	6	1.5	2	1	1
WIC	7	7	7	6	7
Reproductive	7	10.95	8	5	4
TB	0	0	0	0	0
Public Health Response	0	0	0	0	0
Tobacco	0	0	0	0	0
Diabetes	0	0	1	2	1
Central Records - Dispatch	53	53	54	41	38
MPO	3	3	3	1.5	3
Fleet	8	6	6	6	4
Total	<u>416.0</u>	<u>415.6</u>	<u>406.5</u>	<u>376.5</u>	<u>364.0</u>

Source: Various City Departments, employee count for last September payroll

Notes: Full-time equivalent of non-civil service employees and civil service police is 2,080 hours per year and 2,904 hours per year for civil service firefighters.

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Full-Time-Equivalents City Government Employees by Function/Program
Last Ten Fiscal Years
Schedule 22 (Continued)

2015	2016	2017	2018	2019
0	0	0	1	0.5
2	2	2	3	3
17	16	17	19	21
4	5	5	4	4
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0.5	0	0	0	0
3	3	3	3	3
1	1	1	1	1
7	6	7.5	6.5	6
5	4	5	4	4
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
41	40	39	36	35
3	2	2	2	2
6	6	6	5	6
<u>366.5</u>	<u>358.0</u>	<u>366.0</u>	<u>367.0</u>	<u>361.0</u>

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Operating Indicators by Function/Program
Last Ten Fiscal Years
Schedule 23

	2010	2011	2012	2013
<u>Function/Program</u>				
General government				
Birth certificate requests	6,138	5,937	5,832	5,758
Public safety				
Police				
Commissioned officers	100	99	99	96
Calls for service	43,518	42,407	42,625	38,712
Total citations issued	10,536	11,003	12,993	10,558
Custody arrests	4,010	4,105	4,125	3,243
Fire				
Firefighters	78	78	78	77
Responses- Fire	256	306	258	259
Responses- EMS/Rescue	1,479	1,478	1,770	1,753
Responses- Other	1,098	1,062	1,088	1,109
Inspections	2,837	2,867	3,910	3,950
Public works				
Street resurfacing (miles)	(1)	2	(1)	(1)
Building permits issued	768	591	559	577
Building permits (\$)	49,115,042	63,049,176	43,348,566	40,844,204
Water				
Average daily consumption (millions of gallons)	11.207	9.518	11.201	12.368
Raw water production (millions of gallons)	13.949	10.61	11.74	12.997
Wastewater				
Average daily sewage treatment (millions of gallons)				
South Regional Plant	10.778	8.328	7.514	6.642
Wagner Creek Plant	1.253	0.747	1.116	1.3
Airlines				
Scheduled airline arrivals and departures per day	(1)	(1)	4	6
Passengers enplaning and deplaning per year			60,000	66,338

Source: Various City Departments

Notes:

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Operating Indicators by Function/Program
Last Ten Fiscal Years
Schedule 23 (Continued)

2014	2015	2016	2017	2018	2019
6,056	6,257	6,718	7,137	6,836	7,426
95	90	91	91	91	91
41,556	38,622	39,562	38,878	37,387	40,716
12,507	11,012	9,244	9,594	8,234	7,627
2,383	3,488	3,429	4,059	3,885	4,477
78	78	78	78	78	78
220	264	250	246	287	230
1,871	1,761	1,748	1,770	2,175	2,267
1,022	1,005	1,096	1,010	1,031	1,084
3,950	4,032	4,028	3,445	3,336	3,377
(1)	(1)	2	1	14	4
443	481	544	580	625	698
37,317,875	58,075,585	38,254,996	57,433,786	60,555,822	71,055,822
11.467	10.677	8.815	10.395	11.742	11.034
12.062	11.545	9.888	11.134	12.463	12.152
8.062	8.890	10.130	8.009	7.616	9.967
1.7	1.673	1.730	1.422	1.513	1.880
6	6	6	6	8	7
68,674	71,500	67,642	70,031	76,524	76,364

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City of Texarkana, Texas
Statistical Section
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule 24

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government				
Buildings	4	4	4	4
Public safety				
Police Stations	1	1	1	1
Number of vehicles	69	62	80	80
Fire Stations	5	5	5	5
Fire Apparatus	9	10	10	10
Other motorized vehicles	6	10	16	16
Public works				
Buildings	2	2	2	4
Streets (miles)	(1)	(1)	257	259
Paved alleys	(1)	(1)	8	8
Unpaved alleys	(1)	(1)	15	15
Storm sewers	(1)	(1)	30	31
Streetlights	(1)	(1)	3,150	3,200
Parks and recreation				
Parks	12	12	12	12
Park acreage developed	500	500	587	587
Park acreage partially developed	1,330	1,330	1,330	1,330
Playgrounds	26	26	27	26
Swimming pools	0	0	0	0
Tennis courts	4	4	4	4
Baseball diamonds	8	8	8	8
Softball diamonds	10	10	10	10
Recreation centers	2	2	2	2
Senior citizens centers	1	1	1	1
Cemetery acreage	19	19	19	19
Landscaped island/ historical markers	8	8	8	8
Landscaped medians	4	5	10	10
Soccer fields	12	13	13	12
Restroom facilities	17	17	17	17
Boat ramp	1	2	2	2
Splash pad	0	0	1	1
Perot Theatre	1	1	1	1

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Statistical Section
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule 24 (Continued)

2014	2015	2016	2017	2018	2019
4	4	4	4	4	4
1	1	1	1	1	1
72	80	72	74	74	69
5	5	5	5	5	5
7	9	9	9	9	9
8	8	9	8	11	9
4	4	4	4	4	4
260	261	262	262	262	262
8	8	8	8	8	8
15	15	15	15	15	15
31	32	33	33	33	33
3,200	3,200	3,250	3,250	3,250	3,250
12	12	12	12	12	12
587	587	587	587	587	587
1,330	1,330	1,330	1,330	1,330	1,330
24	26	25	25	25	27
0	0	0	0	0	0
4	4	4	4	4	4
8	8	8	8	8	8
10	10	10	10	10	10
1	1	1	1	1	1
1	1	1	1	1	1
19	19	19	19	19	19
8	8	8	8	8	8
10	10	9	9	9	9
10	12	13	13	13	13
18	18	18	18	18	18
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1

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City of Texarkana, Texas
Statistical Section
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule 24 (Continued)

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Health and Welfare					
Buildings	1	1	1	1	1
Water					
Water mains (miles)	473	479	484	504	479
Water connections	12,951	12,937	12,962	13,119	13,133
Fire hydrants	2,013	2,051	2,079	2,172	2,115
Plant capacity (million gallons per day)	18	18	18	18	18
Wastewater					
Sanitary sewer mains (miles)	330	328	340	343	340
Sewer connections	12,418	12,436	12,435	12,518	12,584
Sewer plant capacity (millions gallons per day)	20	20	20	20	20
Airports					
Number of airports	1	1	1	1	1
Acres	1,200	1,200	1,200	1,200	1,200
Length of main runways	6,601	6,601	6,601	6,601	6,601

Source: Various City of Texarkana, Texas departments

Notes:

(1) No information available

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City of Texarkana, Texas
Statistical Section
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule 24 (Continued)

2015	2016	2017	2018	2019
1	1	1	1	1
483	486	473	498	476
13,170	13,224	13,285	13,377	13,483
2,139	2,169	2,183	2,188	2,144
18	18	18	18	18
337	342	336	357	344
12,622	12,677	12,719	12,774	12,855
20	20	20	20	20
1	1	1	1	1
1,200	1,200	1,200	1,200	1,200
6,601	6,601	6,601	6,601	6,601

Attachment: City of Texarkana 2019 CAFR - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas

Single Audit Reports

September 30, 2019

Attachment: City of Texarkana 2019 Single Audit - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas

September 30, 2019

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City of Texarkana, Texas
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Agriculture</u>				
Direct Program:				
Farmers' Market and Local Food Promotion Program	10.168	N/A	\$ -	\$ 39,297
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	-	400,373
Total Department of Agriculture			-	439,670
<u>Department of Housing and Urban Development</u>				
Direct Programs:				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	8,698	325,609
<i>Total CDBG - Entitlement Grants Cluster</i>			8,698	325,609
Continuum of Care Program	14.267	N/A	265,002	272,950
Passed through from Texas Department of Housing and Community Affairs:				
Emergency Solutions Grant Program	14.231	E-17-DC-48-0001	-	32,467
		E-18-DC-48-0001	-	11,354
			-	43,821
Total Department of Housing and Urban Development			273,700	642,380
<u>Department of Justice</u>				
Direct Program:				
Bulletproof Vest Partnership Program	16.607	N/A	-	5,538
Passed through from:				
Texas Office of the Governor Criminal Justice Division:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0520	-	20,668
		2018-DJ-BX-0338	-	20,963
			-	41,631
Total Department of Justice			-	47,169
<u>Department of Transportation</u>				
Direct Program:				
<i>Highway Safety Cluster</i>				
National Priority Safety Programs	20.616	N/A	-	6,034
<i>Total Highway Safety Cluster</i>			-	6,034
<i>Highway Planning and Construction Cluster</i>				
Passed through from:				
Texas Department of Transportation				
Highway Planning and Construction	20.205	50-19XF0017	-	292,375
Passed through from:				
Texas Parks and Wildlife Department				
Recreational Trails Program	20.219	513963	-	63,921
<i>Total Highway Planning and Construction Cluster</i>			-	356,296

The accompanying notes are an integral part of this Schedule.

City of Texarkana, Texas
Schedule of Expenditures of Federal Awards (Continued)
September 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Transportation (Continued)</u>				
Passed through from:				
Arkansas Department of Transportation				
Metropolitan Transportation Planning and State and				
Non-Metropolitan Planning and Research	20.505	AR-2016-013-00	\$ -	\$ 33,327
		AR-2017-011-00	-	47,469
		AR-2018-007-00	-	35,048
			-	115,844
Total Department of Transportation			-	478,174
<u>National Endowment for the Arts</u>				
Direct Program:				
Promotion of the Arts Grants to Organizations and Individuals	45.024	N/A	-	6,213
Total National Endowment for the Arts			-	6,213
<u>Environmental Protection Agency</u>				
Direct Program:				
Brownfields Assessment and Cleanup Cooperative				
Agreements	66.818	N/A	-	42,379
Total Environmental Protection Agency			-	42,379
<u>Department of Health and Human Services</u>				
Direct Programs:				
Immunization Cooperative Agreements	93.268	N/A	-	72,543
Preventive Health and Health Services Block Grant	93.991	N/A	-	60,012
Total Department of Health and Human Services			-	132,555
<u>Department of Homeland Security</u>				
Passed through from:				
Texas Office of the Governor				
Homeland Security Division:				
Homeland Security Grant Program	97.067	3634801	-	19,099
Passed through from:				
Texas Department of Public Safety				
Texas Division of Emergency Management:				
Emergency Management Performance Grants	97.042	EMT-2019-EP-00005	-	32,158
Total Department of Homeland Security			-	51,257
Total Federal Awards Expended			\$ 273,700	\$ 1,839,797

Attachment: City of Texarkana 2019 Single Audit - Final (2282 : CAFR for FYE 9/30/19)

City of Texarkana, Texas
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2019

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Texarkana, Texas (City) under programs of the federal government for the year ended September 30, 2019.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The federal loan programs listed subsequently are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans outstanding at the beginning of the year are not included in the federal expenditures presented in the Schedule, since there are no continuing compliance requirements other than required loan payments. New loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at September 30, 2019, consists of:

CFDA Number	Program Name	Outstanding Balance at September 30, 2019
	Community Development Block	
14.218	Grants/Entitlement Grants	\$ 268,282
14.239	HOME Investment Partnerships Program	288,805
66.818	Brownfields Assessment and Cleanup Cooperative	35,535
		<u>\$ 592,622</u>



**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Honorable Mayor and
Members of City Council
City of Texarkana, Texas
Texarkana, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Texarkana, Texas (City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 18, 2020, which contained a reference to the reports of other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Honorable Mayor and
Members of City Council
City of Texarkana, Texas
Page 5

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Dallas, Texas
May 18, 2020



**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

Honorable Mayor and
Members of City Council
City of Texarkana, Texas
Texarkana, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Texarkana, Texas' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Honorable Mayor and
Members of City Council
City of Texarkana, Texas
Page 7

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Honorable Mayor and
Members of City Council
City of Texarkana, Texas
Page 8

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Texarkana, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements. We issued our report thereon dated May 18, 2020, which contained unmodified opinions on those financial statements and a reference to the reports of other auditors. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Dallas, Texas
May 18, 2020

City of Texarkana, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2019

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:
 Significant deficiency(ies)? ☐ Yes ☒ None reported
 Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?
☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal award programs disclosed:
 Significant deficiency(ies)? ☐ Yes ☒ None reported
 Material weakness(es)? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance for major federal award programs was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?
☐ Yes ☒ No

City of Texarkana, Texas
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2019

7. The City's major federal programs were:

Cluster/Program	CFDA Number(s)
<i>CDBG - Entitlement Grants Cluster</i>	
Community Development Block Grants/Entitlement Grants	14.218
<i>Highway Planning and Construction Cluster</i>	
Highway Planning and Construction	20.205
Recreational Trails Program	20.219
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The City qualified as a low-risk auditee?

☐ Yes

☒ No

City of Texarkana, Texas
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2019

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
-----------------------------	----------------

No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
-----------------------------	----------------

No matters are reportable.

City of Texarkana, Texas
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2019

Reference Number	Summary of Finding	Status
-----------------------------	---------------------------	---------------

No matters are reportable.

Briefing Sheet

Version:
Update Date: 6/5/2020 8:38 AM

Lead Department: City Manager

Action Officer: Jennifer Evans, City Secretary

Subject: Men's Health Month Proclamation - June 2020

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:

Men's Health Month began in 1994 with the Congressional passage of Men's Health Week, sponsored by Senator Bob Dole and Congressman Bill Richardson at the request of Men's Health Network.

Men's Health Week was signed by President Clinton and became Public Law 103-264 on May 31, 1994.

Potential Options:

- None
-

Fiscal Implications:

None

Staff Recommendation:

Staff recommends the Mayor to proclaim June 2020 as "Men's Health Month".

Advisory Board/Committee Review:

NONE

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- Men's Health Month Proc - June 2020 (PDF)



PROCLAMATION

Men's Health Month

Whereas, despite advances in medical technology and research, men continue to live an average of five years less than women, with Native American and African-American men having the lowest life expectancy; and

Whereas, educating the public and healthcare providers about the importance of a healthy lifestyle and early detection of male health problems will result in reducing rates of mortality from disease; and

Whereas, men who are educated about the value that preventative health can play in prolonging their lifespan and their role as productive family members will be more likely to participate in health screenings; and

Whereas, fathers who maintain a healthy lifestyle are role models for their children and have happier, healthier children; and

Whereas, the Men's Health Network worked with Congress to develop a national men's health awareness period as a special campaign to help educate men, boys, and their families about the importance of positive health attitudes and preventative health practices; and

Whereas, the Men's Health Month website has been established at www.MensHealthMonth.org and features resources, proclamations, and information about awareness events and activities, including Wear Blue for Men's Health (www.WearBlueForMensHealth.com); and

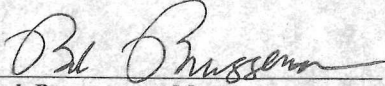
Whereas, Texarkana's Men's Health Month will focus on a broad range of men's health issues, including heart disease, mental health, diabetes, and, prostate, testicular and colon cancers; and

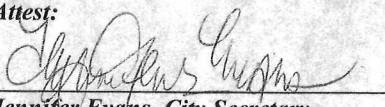
Whereas, citizens of this city are encouraged to increase awareness of the importance of a healthy lifestyle, regular exercise, and medical check-ups.

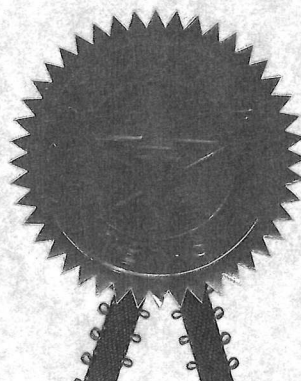
NOW, THEREFORE, I, Bob Bruggeman, Mayor of the City of Texarkana, Texas, do hereby proclaim June 2020, as:

"Men's Health Month"

in Texarkana, Texas, and encourage all of our citizens to pursue preventative health practices and early detection efforts.


 Bob Bruggeman, Mayor

Attest:

 Jennifer Evans, City Secretary



City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 6/5/2020 11:50 AM

Lead Department: Water Utilities **Action Officer:** Pam White,
Resolution No. 2020-053 authorizing the City Manager to enter into a contract
for the FM 2148 and IH-30 water and sewer relocations with Belt Construction
of Texas, LLC in an amount not to exceed \$467,875.94 with funds reimbursable
Subject: by TXDOT.

Briefing: 6/8/2020 **Public Hearing:** **Council Vote:** 6/8/2020

Item Schedule

Schedule 3: No briefing required (one week)

Updates/History of Briefing:

"NOT APPLICABLE"

Executive Summary and Background Information:

Bids were received Tuesday, June 2, 2020 for the FM 2148 & IH-30 – Water and Sewer Relocations. Four (4) contractors picked up bid packages for the project and three (3) contractors bid on the project. Belt Construction of Texas, LLC, was the apparent low bidder with a bid of \$467,875.94. This project consists of relocating a 12" sewer main by bore and a 12" water main by bore under Interstate 30 at FM 2148. This project will install approximately 500 linear feet of 12" water mains, 700 linear feet of 12" sewer mains, 1,000 linear feet of 20" steel casing, and 3 concrete manholes.

Potential Options:

- None

Fiscal Implications:

This project is 100 percent reimbursable by TxDot.

Staff Recommendation:

Utility staff recommends approval.

Advisory Board/Committee Review:

NONE

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- 2020-053 RES FM2148 & IH-30 water and sewer relocation (DOCX)
- 2020-053 ATTH 01 Bid Summary (DOCX)

City of Texarkana, Texas

- c. 2020-053 ATTH 02 Bid Tabulation (PDF)
- d. 2020-053 Goals & Perspectives (DOCX)

Staff Coordination

Water Utilities	Vicky Coopwood	Department Head Review	Skipped	
	06/03/2020 8:56 AM			
Water Utilities	Vicky Coopwood	Review	Skipped	06/03/2020
8:56 AM				
Water Utilities	Vicky Coopwood	Water Utilities Review	Skipped	
	06/03/2020 8:57 AM			
City Manager	Shirley Jaster	City Manager Review	Completed	06/04/2020
5:26 PM				
City Council	Vicky Coopwood	Meeting	Pending	06/08/2020
6:00 PM				

Meeting History

RESOLUTION NO. 2020-053

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AUTHORIZING THE CITY MANAGER TO ACCEPT THE BID AND ENTER INTO A CONTRACT WITH BELT CONSTRUCTION OF TEXAS, LLC, TEXARKANA, TEXAS, IN AN AMOUNT NOT TO EXCEED FOUR HUNDRED SIXTY-SEVEN THOUSAND EIGHT HUNDRED SEVENTY-FIVE DOLLARS AND NINETY-FOUR CENTS (\$467,875.94) FOR THE FM 2148 AND IH-30 WATER AND SEWER RELOCATIONS PROJECT.

WHEREAS, June 2, 2020, three (3) bids were received, a copy of which is attached hereto as **ATTH 01**, by Texarkana Water Utilities for the FM 2148 and IH-30 – water and sewer relocations project; and

WHEREAS, the project will consist of the relocation/replacement of approximately 500 linear feet of 12” water mains, 700 linear feet of 12” sewer mains, 1,000 linear feet of 20” steel casing, and three concrete manholes and related appurtenances; and

WHEREAS, the lowest and best bid by a responsible vendor for this project was submitted by Belt Construction of Texas, LLC, Texarkana, Texas, a copy of which is attached hereto as **ATTH 02** in an amount not to exceed \$467,875.94; and

WHEREAS, this project is 100% reimbursable by TxDot.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: That the lowest and best bid by a responsible vendor, submitted by Belt Construction of Texas, LLC, Texarkana, Texas, a copy of which is attached hereto as **ATTH 02** be and is hereby approved in an amount not to exceed \$467,875.94 for the relocation/replacement of water and sewer mains and related appurtenances for the FM 2148 and IH-30 – water and sewer relocations project.

SECTION 2: That the City Manager be and is authorized to contract with Belt Construction of Texas, LLC, Texarkana, Texas, for the above-described services.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the 8th day of June, 2020.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

Attachment: 2020-053 RES FM2148 & IH-30 water and sewer relocation (2273 : 2020-053 RES FM 2148 & IH-30 water & sewer relocation)

Bid Summary**FM 2148 & IH-30
Water & Sewer Relocations****2:00 P.M. Tuesday, June 2, 2020**

		<u>Base Bid</u>
1.	RBIS, LLC Texarkana, Arkansas	\$ 502,107.61
2.	Kampco, Inc. Texarkana, Arkansas	\$ 582,353.18
3.	Belt Construction, Inc. Texarkana, Arkansas	\$ 467,875.94
4.	David Lawler Construction Shreveport, Louisiana	NO BID
Time First Bid Opened:		2:00 P.M
Number of Bidders:		3
Apparent Low Bidder:		Belt Construction

Bid Tabulation
FM 2148 INTERSTATE 30
WATER SEWER RELOCATIONS
Project No. 62-000-135111-T122024
JUNE 2, 2020 @ 2:00

2020-053 ATTH 02
Bid Tabulation

BASE BID:									
Item	Quantity	Unit	Description	RBIS, LLC		KAMPQ, INC.		BELT CONSTRUCTION	
				Texarkana, TX		Texarkana, AR		Texarkana, TX	
				Amount	Total	Amount	Total	Amount	Total
1	1	LS	Mobilization, Bonds, & Submittals	\$14,375.00	\$14,375.00	\$33,400.00	\$33,400.00	\$35,102.00	\$35,102.00
2	3.0	MO	Traffic Control	\$1,093.00	\$3,279.00	\$2,518.19	\$7,554.57	\$1,350.00	\$4,050.00
3	499	LF	12" Certa-Lok C-900 PVC Inside Casing	\$50.00	\$24,950.00	\$75.67	\$37,759.33	\$70.00	\$34,930.00
4	490	LF	20" Steel Casing by Bore	\$290.00	\$142,100.00	\$277.00	\$135,730.00	\$216.00	\$105,840.00
5	1	LS	Clean & Test Water Mains	\$1,725.00	\$1,725.00	\$2,895.92	\$2,895.92	\$3,239.00	\$3,239.00
6	1	LS	Trench Protection for Water Main	\$575.00	\$575.00	\$5,791.84	\$5,791.84	\$2,158.00	\$2,158.00
7	3	EA	12" Gate Valve by Live Insertion	\$17,250.00	\$51,750.00	\$19,998.00	\$59,994.00	\$17,820.00	\$53,460.00
8	1	EA	12" x 12" Tapping Sleeve & Valve	\$6,240.00	\$6,240.00	\$6,833.03	\$6,833.03	\$9,530.00	\$9,530.00
9	695	LF	Cut, Plug, and Abandon Existing 12" Water Main	\$14.00	\$9,730.00	\$33.00	\$22,935.00	\$10.00	\$6,950.00
10	693	SY	Cellulose Fiber Mulch & Seed to Affected Areas (Water Mains)	\$3.40	\$2,356.20	\$12.28	\$8,510.04	\$1.00	\$693.00
11	50	LF	Silt Fence - Water Main	\$3.45	\$172.50	\$6.60	\$330.00	\$3.00	\$150.00
12	26	HR	Erosion Control Measures - Water Main	\$85.00	\$2,210.00	\$57.92	\$1,505.92	\$54.00	\$1,404.00
13	1	AC	Prep ROW	\$2,875.00	\$1,437.50	\$2,895.92	\$1,447.96	\$10,801.00	\$5,400.50
14	526	LF	12" Certa-Flo PVC Pipe Inside Casing	\$38.00	\$19,988.00	\$77.73	\$40,885.98	\$53.00	\$27,878.00
15	526	LF	20" Steel Casing by Bore - Sewer	\$313.00	\$164,638.00	\$297.00	\$156,222.00	\$238.00	\$125,188.00
16	169.49	LF	12" SDR-26 PVC Sewer Pipe by Open Cut (8'-10')	\$79.00	\$13,389.71	\$71.48	\$12,115.15	\$56.00	\$9,491.44
17	1	EA	Concrete Manhole #1	\$5,711.00	\$5,711.00	\$5,873.08	\$5,873.08	\$6,500.00	\$6,500.00
18	1	EA	Concrete Manhole #2	\$5,465.00	\$5,465.00	\$4,053.67	\$4,053.67	\$4,801.00	\$4,801.00
19	1	EA	Concrete Manhole #3	\$5,231.00	\$5,231.00	\$5,341.24	\$5,341.24	\$5,610.00	\$5,610.00
20	1	LS	Trench Protection for Sewer Main	\$4,600.00	\$4,600.00	\$4,137.03	\$4,137.03	\$6,478.00	\$6,478.00
21	1	EA	Remove Existing Manhole	\$2,875.00	\$2,875.00	\$2,895.92	\$2,895.92	\$1,619.00	\$1,619.00
22	566	LF	Cut, Plug, and Abandon Existing 12" Sewer Main	\$14.50	\$8,207.00	\$14.81	\$8,382.46	\$10.00	\$5,660.00
23	1	LS	Clean & Test Manholes	\$1,725.00	\$1,725.00	\$1,447.96	\$1,447.96	\$5,398.00	\$5,398.00
24	1	LS	Clean & Test Sewer Mains	\$3,200.00	\$3,200.00	\$2,895.92	\$2,895.92	\$3,239.00	\$3,239.00
25	893	SY	Cellulose Fiber Mulch Seeding to Affected Areas (Sewer)	\$3.40	\$3,036.20	\$11.38	\$10,162.34	\$1.00	\$893.00
26	270	LF	Silt Fence - Sewer Main	\$3.45	\$931.50	\$6.47	\$1,746.90	\$3.00	\$810.00
27	26	HR	Erosion Control Measures - Sewer Main	\$85.00	\$2,210.00	\$57.92	\$1,505.92	\$54.00	\$1,404.00
			Total Base Bid:		\$502,107.61		\$582,353.18		\$467,875.94

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☐ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☐	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☐	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☐	None Required	☐	

Other:

City of Texarkana, Texas

Version: D

Update Date: 6/4/2020 5:37 PM

Briefing Sheet

Lead Department: Public Works Department **Action Officer:** Dusty Henslee,
Resolution No. 2020-058 authorizing the City Manager to enter into a contract
for a reimbursement agreement in an amount not to exceed \$406,000 for the
Subject: drainage improvements to the property at St. Michael Drive and Richill Drive
from funds in the Tax Increment Reinvestment Zone #1 Fund.

Briefing: 6/8/2020 **Public Hearing:** **Council Vote:** 6/8/2020

Item ScheduleSchedule 3: No briefing required (one week)**Updates/History of Briefing:**

None

Executive Summary and Background Information:

At a meeting of the TIRZ board on November 25, 2013, a motion to recommend addition of drainage improvements for the property at St. Michael Drive and Richill Drive (private street) project in an amount not to exceed \$406,000 was passed.

Resolution 2014-009 was passed by the City Council on February 10, 2014 that added drainage improvements for the property at St. Michael Drive and Richill Drive (private street) project to the TIRZ #1 Project list in an amount not to exceed \$406,000.

Potential Options:

- Approve reimbursement agreement for the St. Michael Drive and Richill project
- Not approve reimbursement agreement for the St. Michael Drive and Richill project

Fiscal Implications:

The fiscal implication would be an amount not to exceed \$406,000 with funds from the Tax Increment Reinvestment Zone #1 fund.

Staff Recommendation:

Staff Recommends Approval

Advisory Board/Committee Review:

Tax Increment Reinvestment Zone #1 Board

Board/Committee Recommendation:

Board approved recommendation to add project to the project list on November 25, 2013.

City of Texarkana, Texas

Advisory Board/Committee Meeting Date and Minutes:

TIRZ Meeting agenda and Resolution 2014-009 is included in attachments

Attachments

- a. 2020-058 Goals & Perspectives (DOCX)
- b. 2020-058 RES approving reimbursement agreemnet for TIRZ #1 project at St. Michael Drive and Richill (DOC)
- c. 2020-058 ATTH 01 TIRZ AGENDA Nov 25 2013 (PDF)
- d. 2020-058 ATTH 02 RES 2014-009 (PDF)
- e. 2020-058 ATTH 03 DRAFT Development and Reimburs Agrmt (DOCX)

Staff Coordination

Public Works Department	Dusty Henslee	Department Head Review	
Completed	06/02/2020 10:30 AM		
Planning and Community Development	David Orr	Review	Completed
06/02/2020 12:06 PM			
Economic Development	Lisa Thompson	Review	Completed
06/02/2020 12:47 PM			
City Manager	Shirley Jaster	City Manager Review Completed	06/05/2020
8:50 AM			
City Council	Vicky Coopwood	Meeting	Pending
6:00 PM			06/08/2020

Meeting History

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☐ Model a Positive City Image ☐ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☒ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☒ None Required	☐

Other:

RESOLUTION NO. 2020-058

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, APPROVING THE ADDITION TO THE TIRZ # 1 PROJECT LIST FOR THE FUNDING OR PARTIAL FUNDING OF DRAINAGE IMPROVEMENTS TO PROPERTY ON ST. MICHEAL DRIVE AND RICHILL DRIVE IN AN AMOUNT NOT TO EXCEED FOUR HUNDRED SIX THOUSAND DOLLARS (\$406,000) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT FOR THE REIMBURSEMENT OF AN AMOUNT NOT TO EXCEED FOUR HUNDRED SIX THOUSAND DOLLARS (\$406,000) FOR PARTIAL FUNDING OF THE TIRZ # 1 PROJECT OF DRAINAGE IMPROVEMENTS TO PROPERTY ON ST. MICHEAL DRIVE AND RICHILL DRIVE FROM FUNDS FROM THE TAX INCREMENT REINVESTMENT ZONE #1 FUND; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council established Tax Increment Reinvestment Zone (TIRZ) #1, as authorized under the Texas Tax Code Chapter 311 in 2009; and

WHEREAS, the City Council passed Resolution 2014-009 adding to the TIRZ # 1 project list partial funding drainage infrastructure improvements for property on St. Michael Drive and Richill Drive in an amount not to exceed **FOUR HUNDRED SIX THOUSAND DOLLARS (\$406,000)**;

WHEREAS, the City Council recognizes the need for funding for this proposed infrastructure improvement project through reimbursement of approved construction costs using funds generated from the Tax Increment Reinvestment Fund #1; and

WHEREAS, the City Council believes this to be in the best interest of the citizens and the safety of the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: The City Manager be and is hereby authorized to enter into a contract with Rayfield Walsh for reimbursement of an amount not to exceed **FOUR HUNDRED SIX THOUSAND DOLLARS (\$406,000)** upon completion of the project.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **8th day of June, 2020.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

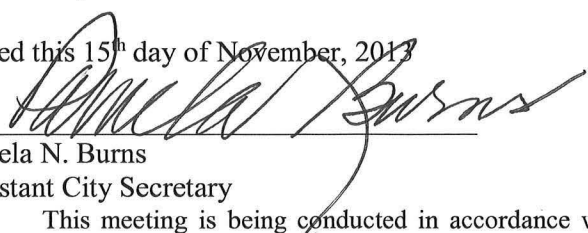
AGENDA

Tax Increment Reinvestment Zone Advisory Board for Zone 1
 Municipal Building-2nd Floor Council Chambers
 West 3rd Street and Texas Boulevard
 Texarkana, Texas
 November 25, 2013
 Noon

An Open Meeting for Zone 1 will be held concerning the following subjects:

1. Call to Order, Roll Call, Establishment of Quorum (Kelly Mitchell)
2. Public Comments (limited to 5 minutes)
3. Consider & approve minutes from April 2013 meeting (requires vote)
4. Presentation on amending project list for TIRZ #1 (Staff)
 - a. Requires vote
 - i. Amend TIRZ #1 Project List to include an amount not to exceed \$406,000 for drainage construction and improvements at property bordered by CHRISTUS St Michael Drive and Richill Drive (private street).
 1. The bond used for funding TIRZ projects included \$500,000 for the extension of University Avenue to support a development that is no longer under short-term consideration. This action will recommend inclusion of the drainage improvements in our TIRZ financing plan and in the bond financing plan.
 - ii. Consider recommending TIRZ bond funds be used to fund request from E. W. Fenton for funding improvements to property on Gibson Lane. At this time, the project was approved by Council for inclusion on the Project List but specific funding was not included in that approval. Council approved funding not to exceed \$250,000 for project. The total project includes:
 1. Storm water drainage-\$300,000
 2. Water/sewer relocation-\$50,000
 3. Public parking lot-\$300,000
 4. Streetscaping-\$45,000
5. Questions & Answers
6. Adjournment

Posted this 15th day of November, 2013


 Pamela N. Burns
 Assistant City Secretary

This meeting is being conducted in accordance with the Texas Open Meetings Law (V.T.C.A. Government Code 551).

This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for these services, please call 903-798-3917, Personnel, or (TDD) 1-800-RELAY-TX (1-800-735-2989).

**TAX INCREMENT FINANCING ZONE #1
CITY OF TEXARKANA TX**

Meeting Minutes
April 5, 2013

Opening:

The called meeting of the City of Texarkana TX Tax Increment Financing Zone #1 (TIRZ #1) was called to order at noon on April 5, 2013 at Texarkana City Hall by Cory Floyd. Board members attending the meeting included: Kelly Mitchell (by phone), Cory Floyd, Jason Thomson, Pat McCoy Paul Miller, Josh Andrus, Jay Davis, and David Potter; Stacy Yates was absent.

Staff Present: John Whitson, Charles Bassett, Jr., Shirley Jaster, Kyle Dooley, and Jerry Sparks

Visitors: Dr. Elvin Fenton

There were no public comments.

TIRZ #1 Financing Plan & Project List

The first order of business was to consider an addition to the TIRZ #1 Financing Plan and Project List a request by Dr. Elvin Fenton.

- Dr. Fenton's project was:
 - \$300,000 for storm water/drainage
 - \$50,000 for water/sewer relocation
 - \$300,000 for public parking
 - \$45,000 for streetscaping
- Dr. Fenton offered a description of the project and an explanation of the reasoning for each of the requested items.
 - Dr. Fenton's project had parking that would be open to the public. Staff explained the difference of publicly owned parking and parking opened to the public.
 - Staff was asked if there were examples of precedents for the storm water drainage and the water/sewer relocation. Staff provided examples of the storm water/drainage projects. Staff informed the Board that there had been no utility relocation projects added to the Project List.
 - Staff also provided a fiscal impact analysis that projected revenues of approximately \$406,000 over the life of the TIRZ based on Dr. Fenton's information provided to staff. Additional sales tax was computed to be approximately \$28,000 over the life of the TIRZ based on Dr. Fenton's information provided to staff.

- Jay Davis moved to approve an amount of \$500,000 to be included in the Project List. The motion did not receive a second.
- Jason Thomson moved to approve an amount not to exceed \$300,000 for storm water/drainage and an amount not to exceed \$50,000 for water and sewer relocation be added to the Project List. Pat McCoy provided a second to the motion. The motion carried with no dissenting votes.

The second order of business was to consider the addition of \$800,000 for park construction and improvements at Bringle Lake and University Drive.

- Proposal would include an amount not to exceed \$800,000 in the Financing Plan and the Project list for proposed park construction and improvements. This would replace an equal amount that was removed from the Project List as a result of the use of alternate funding. Use of the funds would be on the recommendation of the City Manager and the approval of the City Council. Shirley Jaster, Exec. Director of Public Works explained the park and proposed boardwalk along Bringle Lake. Approval of the addition of the park to the Project List would make the project eligible for inclusion in the bond funding.
- Motion to approve by Paul Miller with a second by Jay Davis. The motion carried with no dissenting votes.

Adjournment:

The next meeting will be scheduled as needed.

Minutes submitted by: Jerry Sparks

Approved by:

TIRZ #1 Project List
Revised: November 2013

2020-058 ATTH 01

6.2.c

<i>Public Infrastructure Projects Walton Dr & Pavilion drainage improvements</i>	\$	-	<i>Completed (\$175,000)</i>
(Joint project w/TxDOT)			
Walton Dr & Pavilion drainage	\$	300,000	Possible 2014 start date
(Box culverts W of intersection & W of Whiskey River)			
Extension of South University	\$	500,000	No project start date/bond funded
Cowhorn Creek Linear Park	\$	1,000,000	Project started/bond funded
 Gibson Extension to FM 989 & feeder streets to Gibson	\$	9,000,000	No project start date
<i>Drainage Project @ Arista</i>	\$	-	<i>Completed (\$100,000)</i>
<i>TAMU East Approach (Phase II)</i>			<i>removed (\$6,000,000)</i>
<i>Morris Lane Extension</i>			<i>removed (\$7,000,000)</i>
Parking Garage @ University w/drainage	\$	2,000,000	No project start date
Backage Road: Summerhill to Mall Drive	\$	1,000,000	No project start date/bond funded
 Proposed Site Improvements to Gibson & University	\$	2,000,000	No project start date
 Park Development & Improvement-University Drive	\$	800,000	2013-2014/bond funded
Approved stormwater improvements Gibson Lane & possible water/sewer relocation	\$	250,000	No project start date
<i>Proposed drainage improvements St. Michael Drive & Richill Drive</i>	\$	406,000	
TOTAL APPROVED POTENTIAL PROJECTS	\$	17,256,000	

Attachment: 2020-058 ATTH 01 TIRZ AGENDA Nov 25 2013 (2280 : 2020-058 RES Authorizing the City

TIRZ 2012 Bond
November 2013 Proposed Revisions

2020-058 ATTH 01

6.2.c

Development/Improvement of Park

for Bringle Lake & University \$ 800,000 Approved June 2013

Summerhill backage road \$ 1,000,000

Cowhorn Creek linear park \$ 1,000,000

Walton @ Pavilion drainage \$ 175,000

Walton drainage W of Pavilion \$ 100,000

South University extension \$ 500,000 Remove:No scheduled start date

Moores Lane extension W of Richmond \$ 600,000 Remove:No scheduled start date

St Michael Drive-Richill Dr drainage \$406,000 proposed

Gibson Lane drainage \$250,000 proposed

\$ 3,481,000

Attachment: 2020-058 ATTH 01 TIRZ AGENDA Nov 25 2013 (2280 : 2020-058 RES Authorizing the City



City of Texarkana *Economic Development*

2020-058 ATTH 01

6.2.c

220 Texas Blvd
PO Box 1967
Texarkana, TX 75504

Phone: (903) 798-1715
Web: www.txkusa.org

MEMORANDUM

November 15, 2013

To: TIRZ Board
From: Jerry Sparks
Subject: Tax Increment Finance Zones #1 Project CHRISTUS St Michael Drive & Richill (private street)

Staff recommends approval of the project in an amount not to exceed \$406,000. The amount recommended was the portion of the project that staff found to be of the greatest benefit to the City's drainage system.

The staff further recommends that the project be included in the projects eligible for financing from the 2012 TIRZ bond issue. Staff also recommends that the project designated as an extension of South University be removed from the projects eligible for financing from the 2012 TIRZ bond issue.

Staff recommends including \$250,000 in the projects eligible for funding from the 2012 TIRZ bond issue to provide for the commitment for a drainage project on Gibson Lane. The project appears to be in the final development stages. Staff recommendation is that if funding is approved, draws for partial payment will be made based on completion percentages and approved by the City Engineer.

Cell: 903-278-0102

jerry.sparks@txkusa.org

Attachment: 2020-058 ATTH 01 TIRZ AGENDA Nov 25 2013 (2280 : 2020-058 RES Authorizing the City Manager to enter into a reimbursement

**PRELIMINARY COST ESTIMATE
FLOODWAY IMPROVEMENTS**

West Side						
				Unit Price		Total Price
1	Excavation	724		\$10.00		\$7,240.00
2	Embankment	7675	CY	\$10.00		\$76,750.00
3*	Concrete Block Wall	1815.6	SF	\$30.00		\$54,468.00
4*	9-5'x2' RBC (Cast-in-place)	180	LF	\$600.00		\$108,000.00
5*	PWW HW=3 (Cast-in-place)	1	EACH	\$10,000.00		\$10,000.00
6	Contingency (10%)	1	LS	\$ 25,645.80		\$25,645.80
Summary						\$282,103.80

East Side						
				Unit Price		Total Price
1	Excavation	685	CY	10		\$6,850.00
2	Embankment	8600	CY	\$10.00		\$86,000.00
3	48" Culvert Extension	325	LF	\$120.00		\$39,000.00
4*	Concrete Block Wall	1958	SF	\$30.00		\$58,740.00
5	Optional Concrete Block Wall	612.5	SF	\$30.00		\$18,375.00
6*	9-5'x2' RBC (Cast-in-place)	180	LF	\$600.00		\$108,000.00
7*	PWW HW=3 (Cast-in-place)	1	EACH	\$10,000.00		\$10,000.00
8	Contingency (10%)	1	LS	\$ 32,696.50		\$32,696.50
Summary						\$359,661.50

* - Represents items that must be built complete on both sides for functionality. Cost is distributed evenly.

Walsh Project
CHRISTUS St Michael Drive (I30 access road)

2020-058 ATTH 01

6.2.c

Improvement-East	Estimated Cost Highest Value to City	
Excavation	\$10,136	
Embankment	\$107,450	
Concrete block wall	\$68,992	\$ 68,992.00
9-5'x2' RBC (cast in place)	\$117,000	\$ 117,000.00
PWH HW=3 (cast in place)	\$14,000	\$ 14,000.00
Contigency (10%)	\$31,757	
Improvement-West		
Excavation	\$9,590	
Embankment	\$120,400	
48" culvert extnsion	\$42,250	
Optional concrete block wall	\$23,275	
Concrete block wall	\$74,404	\$ 74,404.00
9-5'x2' RBC (cast in place)	\$117,000	\$ 117,000.00
PWH HW=3 (cast in place)	\$14,000	\$ 14,000.00
Contigency (10%)	\$40,091	
Total cost estimate	\$790,345	\$ 405,396.00
Richill Drive Extension (1782')	\$ 160,380.00	

Attachment: 2020-058 ATTH 01 TIRZ AGENDA Nov 25 2013 (2280 : 2020-058 RES Authorizing the City Manager to enter into a reimbursement

City of Texarkana - Bowie County
 Tax Increment Reinvestment Zone
 CHRISTUS St Michael Drive & Richill Drive extended

FYE	Incremental Taxable Assessed Value		City of Texarkana Tax Rate	Bowie County Tax Rate	Total Operating Tax Rates	Gross Property Tax Contribution	Incremental Sales Tax	Total Incremental Revenue	TIF REVENUE BOND PAYMENTS ⁽¹⁾	Surplus/ <Deficit>
30-Sep 2009										
2010	\$ -		0.4078	0.327	0.73		\$ -			
2011	\$ -		0.4078	0.327	0.73	-	-	-	\$ -	-
2012	\$ -		0.4078	0.327	0.73	-	\$ -	-	-	-
2013	\$ -		0.4078	0.327	0.73	-	\$ -	-	-	-
2014	\$ 1,500,000	Building 1	0.4078	0.327	0.73		\$ 25,000		-	
2015	\$ 3,000,000	2nd Building	0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2016	\$ 3,000,000		0.4078	0.327	0.73	22,044	\$ 50,000	72,044	-	72,044
2017	\$ 4,500,000	3rd Building	0.4078	0.327	0.73	22,044	\$ 50,000	72,044	-	72,044
2018	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2019	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2020	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2021	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2022	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2023	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2024	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2025	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2026	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2027	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2028	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2029	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2030	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2031	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2032	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2033	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2034	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
2035	\$ 4,500,000		0.4078	0.327	0.73	33,066	\$ 75,000	108,066	-	108,066
						\$ 650,298	\$ 1,500,000	\$ 650,298	\$ -	\$ 2,150,298

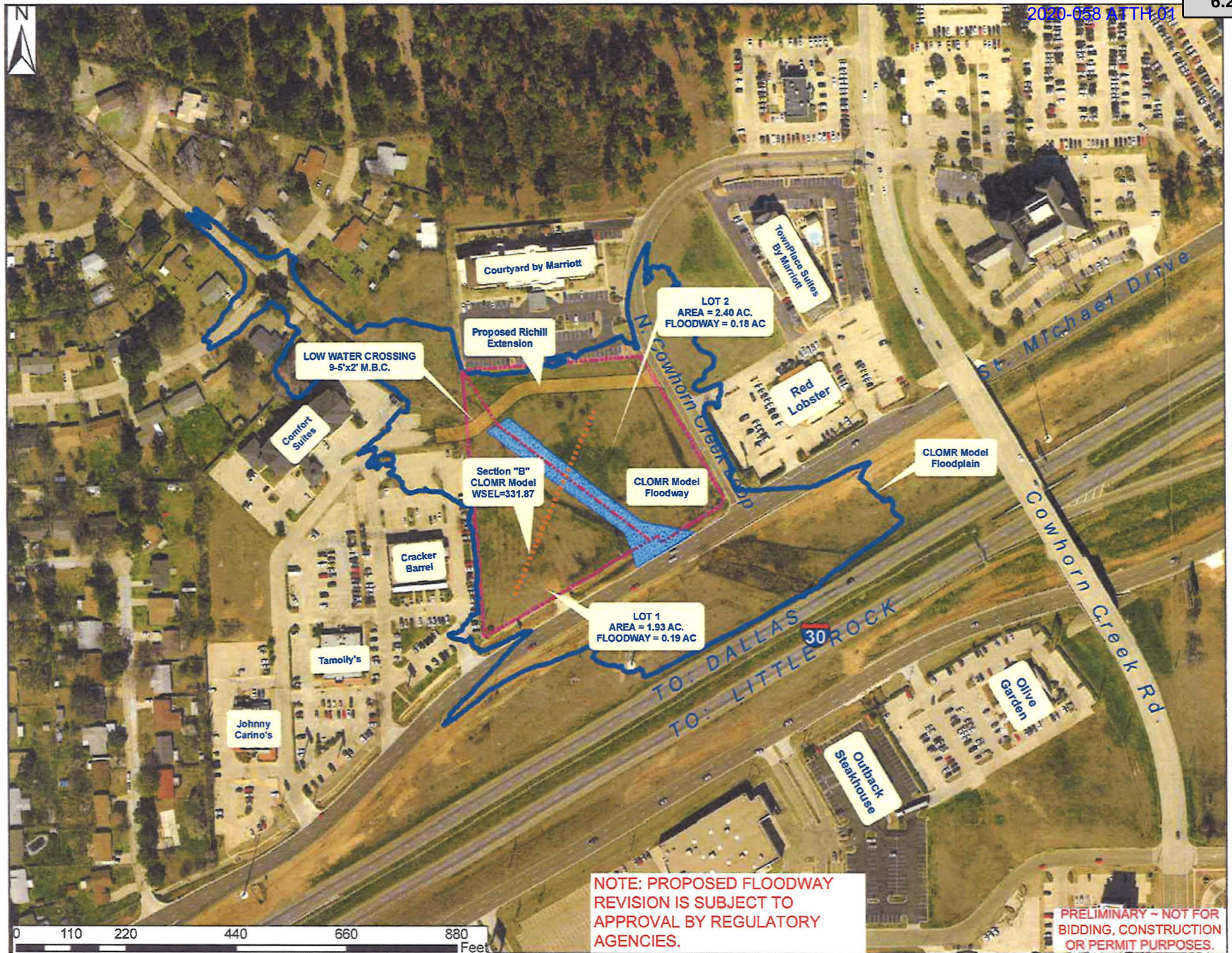
75% of Projected	
TIRZ Revenue	\$ 487,723.50
75% Projected Sales	
Tax Revenue	\$ 1,125,000.00
	\$ 1,612,723.50

City of Texarkana - Bowie County
 Tax Increment Reinvestment Zone
 CHRISTUS St Michael Drive - Richill Drive

FYE	Incremental Taxable Assessed Value		City of Texarkana Tax Rate	Bowie County Tax Rate	Total Operating Tax Rates	Gross Property Tax Contribution	Incremental Sales Tax	Total Incremental Revenue	TIF REVENUE BOND PAYMENTS ⁽¹⁾	Surplus/ <Deficit>
30-Sep 2009										
2010	\$ -		0.4078	0.327	0.73		\$ -			
2011	\$ -		0.4078	0.327	0.73	-	-	-	\$ -	-
2012	\$ -		0.4078	0.327	0.73	-	\$ -	-	-	-
2013	\$ 1,500,000	Phase I ONLY	0.4078	0.327	0.73	-	\$ 25,000	-	-	-
2014	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	12,969	-	12,969
2015	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2016	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2017	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2018	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2019	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2020	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2021	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2022	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2023	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2024	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2025	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2026	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2027	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2028	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2029	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2030	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2031	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2032	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2033	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2034	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
2035	\$ 1,500,000		0.4078	0.327	0.73	11,022	\$ 25,000	36,022	-	36,022
						\$ 242,484	\$ 550,000	\$ 242,484	\$ -	\$ 792,484

75% of Projected
 TIRZ Revenue \$ 181,863.00
 75% Projected Sales
 Tax Revenue \$ 412,500.00
 \$ 594,363.00

Attachment: 2020-058 ATTH 01 TIRZ AGENDA Nov 25 2013 (2280 : 2020-058 RES Authorizing the City





RESOLUTION NO. 2014-009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, APPROVING THE ADDITION TO THE TIRZ #1 PROJECT LIST FOR THE PARTIAL FUNDING IMPROVEMENTS TO PROPERTY AT ST. MICHAEL DRIVE AND RICHILL DRIVE; ALLOWING USE OF PART OF THE 2012 TIRZ BOND FUND IN AN AMOUNT NOT TO EXCEED FOUR HUNDRED SIX THOUSAND AND NO/100 DOLLARS (\$406,000) FOR DRAINAGE IMPROVEMENTS ONLY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the TIRZ #1 Board has recommended adding to the TIRZ #1 Potential Project List the partial funding for drainage improvements to property at St. Michael Drive and Richill Drive (Private Road); and

WHEREAS, a request was made for TIRZ funding for the drainage and extension project to property at St. Michael Drive and Richill Drive (Private Road) that would have a total project cost of \$950,000 that would provide \$790,000 for drainage and \$160,000 for the extension of Richill Drive; and

WHEREAS, the Board recommends the addition of this project to the TIRZ #1 Project List, allowing use of part of the 2012 TIRZ Bond Fund for a partial funding for the project in an amount not to exceed FOUR HUNDRED SIX THOUSAND AND NO/100 DOLLARS (\$406,000) for drainage improvements only; and

WHEREAS, the City Council recognizes the need for funding through the TIRZ project list as evidence by their approval of the TIRZ Board projects listed in their annual reports.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

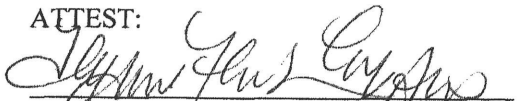
SECTION 1: The City Council of the City of Texarkana, Texas approves the addition of the drainage project at St. Michael Drive and Richill Drive to the TIRZ #1 Project List, allowing use of part of the 2012 TIRZ Bond Fund for a partial funding for the project in an amount not to exceed FOUR HUNDRED SIX THOUSAND AND NO/100 DOLLARS (\$406,000) for drainage improvements only.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the 10th day of February, 2014.


BOB BRUGGEMAN, MAYOR

ATTEST:


JENNIFER EVANS, CITY SECRETARY

7:26 p.m.

**TAX INCREMENT FINANCING ZONE #1
CITY OF TEXARKANA TEXAS**
Meeting Minutes
November 25, 2013

Opening:

The called meeting of the City of Texarkana, Texas Tax Increment Financing Zone #1 (TIRZ #1) was called to order at noon on April 54, 2013 at Texarkana City Hall by Kelly Mitchell. Board members attending the meeting included: Jason Thomson, Paul Miller, Josh Andrus, Jay Davis, Stacy Yates, and David Potter; Cory Floyd and Pat McCoy were absent.

Staff Present: Charles Bassett, Jr., Shirley Jaster, Kyle Dooley, Lisa Thompson and Jerry Sparks

Visitors: Ray Walsh and David Williams

There were no public comments.

Minutes of the April 2013 meeting were approved on a motion by Paul Miller with a second by Jay Davis.

TIRZ #1 Financing Plan & Project List

The Board considered and discussed amending the TIRZ #1 Financing Plan and Project List as follows:

- Amend TIRZ #1 Project List to include an amount not to exceed \$406,000 for drainage construction and improvements at property bordered by St Michael Drive and Richill Drive (private street).
 - The bond used for funding TIRZ projects included \$500,000 for the extension of University Avenue to support a development that is no longer under short-term consideration. This action will recommend inclusion of the drainage improvements in our TIRZ financing plan and in the bond financing plan.

Amend the 2012 TIRZ bond funding as follows:

- Consider recommending TIRZ bond funds be used to fund request from E. W. Fenton for funding improvements to property on Gibson Lane. At this time, the project was approved by Council for inclusion on the Project List but specific funding was not included in that approval. Council approved funding not to exceed \$250,000 for project. The total project includes:
 - Storm water drainage-\$300,000
 - Water/sewer relocation-\$50,000
 - Public parking lot-\$300,000
 - Streetscaping-\$45,000

- Both items were approved. Those voting for approval were Mitchell, Miller, Andrus, Yates, David; against approval was Potter. Jason Thomson abstained.
- Public Works and Engineering gave the Board members an update on City projects
- Members were offered copies of materials used in an earlier training session for TIRZ Board members.

Adjournment

The next meeting will be scheduled as needed.

Minutes submitted by: Jerry Sparks

Approved by:

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Development and Reimbursement Agreement is made by and between the City of Texarkana, Texas, a municipal corporation of the State of Texas, with offices located at 220 Texas Blvd, Texarkana, Texas 75502 (the "City") and _____ (**Name of Developer**) with an address of _____ (**Address of Developer**) (the "Developer").

WHEREAS, in 2009 the City Council established Tax Reinvestment Zone ("TIRZ") #1 as authorized under the Texas Tax Code Chapter 311, and as more specifically set forth in Exhibit "A" attached and made a part hereto; and

WHEREAS, the bond used for funding TIRZ projects included monies for the extension of University Avenue to support a development that is no longer under short-term consideration, and included drainage improvements in the TIRZ financing plan and in the bond financing plan; and

WHEREAS, the TIRZ #1 Board (the "Board") has recommended various Public Infrastructure Projects for TIRZ #1, including reimbursement for drainage construction and improvements at property bordered by CHRISTUS St. Michael Drive and Richill Drive (the "Property") which reimbursement is budgeted in an amount not to exceed \$406,000.00 (the "TIRZ Project"); and

WHEREAS, the Developer owns the Property and desires to construct drainage improvements along the Property and intends to grant a drainage easement to the City once the TIRZ Project is completed according to approved plans and specifications and accepted by City; and

WHEREAS, the City Council finds and determines the public need for funding for the proposed TIRZ Project through reimbursement of approved construction costs for drainage construction and improvements using bond funds for TIRZ projects; and

WHEREAS, the City Council finds and determines that the TIRZ Project, upon completion, will be a public benefit to the City in furthering the City's goal of facilitating the creation of additional economic development in the area, and therefore in the best interests of the City and Developer will be advanced by establishing conditions, guidelines and procedures governing reimbursement for the construction of the drainage improvements and the manner in which the Developer may be eligible for reimbursement;

NOW, THEREFORE, in accordance with the consideration of the mutual covenants contained herein and for other good and valuable consideration, receipt of which is mutually acknowledged, the parties agree a follows:

I.
AGREEMENT

1. Subject to the terms and conditions contained in this Agreement, and pursuant to plans and specifications consistent with City ordinances approved by City prior to the start of construction (the "Approved Plans and Specifications"), Developer agrees to construct drainage improvements on the Property consistent with the Approved Plans and Specifications.

II.

APPROVALS

2. Developer shall be required to obtain any and all local, county, state and other governmental approvals and permits necessary and required to construct the drainage improvements, including all agencies for the Conditional Letter of Map Revision ("CLOMR"), and as generally described on the Approved Plans and Specifications. This Agreement shall not be construed to grant such governmental approvals. Any approvals needed from City will be submitted and approved under City's ordinances and normal and customary practice.

III.

REIMBURSEMENT

3. The Developer shall be entitled to reimbursement for the cost and expense associated with the construction and installation of the drainage improvements incurred by Developer after the execution of this Agreement, which costs and expenses include, but are not necessarily limited to, hard construction costs, application fees, permit fees, professional fees, excluding any legal fees incurred by Developer), performance bond fees, and interest on construction loans solely attributed to the drainage construction and improvements (the "Reimbursable Expenses") up to a maximum of Four Hundred and Six Thousand and No/100 Dollars (\$406,000.00) (the "Reimbursable Cap").
4. City shall reimburse Developer for the costs incurred in constructing and completing the drainage improvements only after the following conditions have been met:
 - (a) The drainage improvements are completed and Developer has provided a full and complete accounting to City of the costs incurred in construction of the drainage improvements and City verifies all costs incurred are in accordance with the Approved Plans and Specifications, and the dates such costs were incurred;
 - (b) Developer has provided a release executed by each supplier, contractor, and subcontractor stating they have been paid in full by Developer and no liens have been filed within 30 days after certification of completion by the Municipal Engineer;
 - (c) The Project has been accepted by the Public Works Department and all other applicable agencies;
 - (d) Developer grants City a drainage easement once all construction has been completed, approved and accepted by City; and
 - (e) Developer has provided proof that Developer has no outstanding City liens on any properties, no outstanding property taxes, and no Code violations relating to this or any other of Developer's properties within the City's jurisdiction.
5. This Agreement is intended to cover only the TIRZ Project referenced herein.

6. Upon fulfillment of all the conditions set forth in this Agreement, completion of the TIRZ Project and fulfillment of the terms and conditions stated in this Agreement, City agrees to reimburse Developer for the expenses incurred by Developer in constructing the drainage improvements in an amount not to exceed the Reimbursable Cap with funds derived from the TIRZ fund. Nothing herein shall obligate City to reimburse this amount upon completion in the event sufficient funds are not available.

IV.

WARRANTIES/GUARANTEES

7. Developer makes the following warranties and representations to City as a material inducement to the execution of this Agreement:
 - a. Developer owns the Property upon which the TIRZ Project will be constructed;
 - b. Developer is authorized to enter into this Agreement to carry out its obligations hereunder and has authorized its signatory on the last page of this Agreement to sign and execute the document on behalf of Developer.

V.

INSURANCE

8. During the term of this Agreement, and before commencing any work, the Developer shall be required, at its own expense, to furnish City certified copies of all insurance certificates showing the following insurance coverage to be in force throughout the term of this Agreement. City shall have no duty to pay or perform under this Agreement until such certificate has been delivered to and approved by City.
 - a. Commercial General Liability (CGL) insurance at minimum combined single limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate for bodily injury and property damage. Coverage must be written on an occurrence form. The general aggregate limit must be at least two (2) times the per occurrence limit. CGL shall include coverage for (i) Premises/Operation; (ii) Products Completed Operations; (iii) Independent Contractors; (iv) Personal Injury; and (v) Contractual Liability.
 - b. Workers Compensation insurance at statutory limits.
 - c. Commercial automobile Liability insurance at minimum combined single limits of \$500,000 per occurrence for bodily injury and property damage, including owned, non-owned, and hired vehicle coverage.
9. The required limits may be satisfied by any combination of primary, excess or umbrella liability insurances, provided the primary policy complies with the above requirements and the excess

umbrella is following form. Developer may maintain reasonable and customary deductibles, subject to approval by City.

10. A comprehensive general liability insurance form may be used in lieu of a commercial general liability insurance form. In this event, coverage must be written on an occurrence basis, at limits of \$500,000 per occurrence, combined single limit; and coverage must include a broad form comprehensive general liability endorsement, coverage for products/completed operations, and broad form contractual liability covering the obligations included in the contract.
11. All insurance shall be purchased from an insurance company that meets the following requirements: (i) a financial rating of A:VII or better as assigned by the BEST rating Company or A or better by Standard and Poor's; and (ii) written by companies approved by the State of Texas and acceptable to the City.

VI. DEFAULT

12. In the event that either party fails to perform its duties and obligations under this Agreement after ten (10) days written notice, then there shall be an event of default and the aggrieved party shall have the rights as set forth in article VII of this Agreement; provided that if the failure to perform is of such a nature that it cannot reasonably be cured in ten (10) days, then there shall be no default so long as the party is making a diligent and good faith effort to correct the deficiency.

VII. DISPUTE RESOLUTION

13. If a dispute arises between the parties relating to rights, duties, or obligations arising out of the Contract, the parties agree to the following dispute resolution procedures:
 - (a) A meeting shall be held promptly between the parties or their designated representatives to attempt in good faith to informally negotiate a resolution of the dispute. Such negotiations may include one or both parties securing legal counsel or consultants who may participate in the negotiation.
 - (b) If resolution is not readily achieved by informal negotiations, the parties may agree to select a neutral third party ("NTP") to assist in resolution of the dispute. The NTP shall promptly convene a private meeting with all representatives of the parties to hear the parties' positions and render oral recommendations for resolution of the dispute. The recommendations of the NTP shall not be binding on any party. By separate written agreement the parties may further define the role of the NTP and may expand the NTP to consist of a team of persons possessing the necessary expertise. Use of the NTP is voluntary. No Party will be deemed to be in breach of this Contract solely because of a refusal to utilize an NTP.

- (c) If resolution is not achieved by informal negotiations, the dispute shall be settled by mandatory arbitration in accordance with and governed by Texas state law. Each party shall select a disinterested representative; then the parties' respective representative shall choose a third person; and the three persons shall then comprise the "arbitration panel" with authority as provided under Chapter 171 of the Texas Civil Practice and Remedies Code. The arbitration panel shall then determine the matter in dispute, which determination shall be binding on both parties. Neither federal law nor the provisions of the Federal Arbitration Act shall apply to any arbitration required by this Contract.
- (d) At all times during the course of any dispute resolution, the parties shall continue diligently and without delay to perform their respective obligations of the Contract.
- (e) Each party shall pay its own costs and expenses, including attorney's fees, incurred during any facet of dispute resolution procedures outlined above. The fees and expenses of the NTP and arbitration panel shall be divided equally between the parties.

VIII. NOTICES

14. Any and all notices required pursuant to the terms of this Agreement shall be sent to the following:

As to City:

City of Texarkana, Texas

Attn: _____

P.O. Box 1967

Texarkana, Texas 75501

Copy to:

Jo Thomason

Atchley, Russell, Waldrop & Hlavinka, LLP

1710 Moores Lane

Texarkana, Texas 75503

As to Developer:

NAME AND ADDRESS

15. All notices, demands or communications required in accordance with the terms of this Agreement, shall be sent by registered or certified mail, return receipt requested, or by nationally recognized overnight courier service. Notice shall be effective five days after deposit in the mail or delivery to the courier service. The notices shall be sent to the addresses set forth above unless otherwise designated in writing by the parties.

IX.
ASSIGNMENT

16. Developer shall not assign its rights, duties, and obligations under this Agreement to anyone without City's written consent, which shall be at City's sole discretion. The obligations of the Developer hereunder shall be binding on all successors and assigns and shall run with the land. Notwithstanding the above, Developer shall have the right to assign its interest in this Development and Reimbursement Agreement as collateral to its lender as security solely for Developer's construction loan for the construction of the drainage improvements. Nothing in such assignment will create any obligation on the part of City to make any payment to Developer or to any lender if Developer has not qualified for such payment under the terms and provisions of this Agreement. Nothing in this section shall limit or prohibit Developer from contracting with third parties to perform the construction of the project.

X.
TERM AND TERMINATION

17. The term of this Agreement shall commence upon its execution and shall terminate upon the occurrence of one of the following events, whichever is earlier:
- (a) Developer completes the construction of the drainage improvements, and Developer receives reimbursement for all Reimbursable Expenses for construction of the drainage improvements as shown on the Approved Plans and Specifications, with such Reimbursable Expenses being less than the Reimbursable Cap;
 - (b) City has paid Developer the Reimbursable Cap;
 - (c) The Tax Increment Reinvestment Zone #1 expires (which the parties anticipate shall occur in 2035), and in such event City shall have no further obligation for any payment under this Agreement, including payment of Reimbursable Expenses; or
 - (d) Developer does not qualify for reimbursement under the terms of this Agreement for any reason, and in such event this Agreement shall terminate thirty (30) days after Developer has terminated work on the TIRZ Project or completed same.

XI.
CONFIDENTIAL OR PROPRIETARY INFORMATION

18. Developer acknowledges City is subject to Chapter 552 of the Texas Government Code, otherwise known as the "Texas Public Information Act" or "Texas Open Records Act" ("the Act"), and that the City has made no representation as to whether any information submitted by Developer to City is excepted from required disclosure under the Act.
19. Unless disclosure is required by law, the City shall exercise reasonable measures to safeguard information the Developer deems confidential or proprietary; provided the Developer must mark any such information as to document page, paragraph and sentence, as applicable, as

required by the Act for the purpose of asserting a statutory exception to withhold information from public disclosure. The markings must be explicit as to the designated information and cite the applicable section(s) of the Act authorizing withholding.

20. Information shall not be considered proprietary in the following circumstances; Developer authorizes disclosure or has already publicized the information; the City obtained the information from a source independent of the Developer, or an opinion of the Attorney General of the State of Texas or court order requires disclosure.
21. In the event the City receives a third-party request for information pursuant to the Act that affects information contained in the application, then upon notice to the Developer of such request, Developer shall state in writing to the City within three (3) business days of receiving the City's notice whether it intends to approve release of the requested information or assert to the Attorney General statutory exceptions to withhold the information from public disclosure. If Developer decides to assert exceptions to the Act in response to the request, then the Developer shall, at its own expense, prepare and send the notice, comment, and briefing for its submission to the Attorney General in accordance with the substantive requirements and time periods provided in the Act. Developer shall also prepare at its expense for the City's use the notices, comments, and briefing for the city's submission to the Attorney General in accordance with the substantive requirements and time periods provided in the Act.

MISCELLANEOUS PROVISIONS

22. Governing Law. The terms and conditions of this Agreement shall be governed and construed in accordance with the laws of the State of Texas. Venue for this Agreement shall be in Bowie County, Texas, the place of performance.
23. Headings. The article headings contained in this Agreement are for reference only and for the convenience of the parties. They shall not be deemed to constitute a part of this Agreement nor shall they alter, modify, or supersede the contents of any of the provisions themselves.
24. Severability. If any of the provisions of this Agreement are deemed invalid, void, or illegal, then the provisions so affected shall be deleted from this Agreement. All remaining provisions shall remain in full force and effect.
25. Further Assurances. Developer and City agree that each will take any action including but not limited to the execution of any documentation, which may be reasonably necessary to effectuate the intent of the parties as set forth in this Agreement.
26. Authorization. Developer and City further agree and represent that the parties executing this Agreement each have been duly authorized to execute this Agreement and have the requisite authority to execute this Agreement, and be bound thereby.

2020-058 ATTH 03

IN WITNESS WHEREOF, the parties have executed this Development and Reimbursement Agreement on the dates indicated below.

CITY OF TEXARKANA, TEXAS

Shirley Jaster, City Manager

Date

Attested to by:

Jennifer Evans, City Secretary

DEVELOPER:

By:

Date

Attachment: 2020-058 ATTH 03 DRAFT Development and Reimburs Agrmt (2280 : 2020-058 RES Authorizing the City Manager to enter into a

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 6/4/2020 3:04 PM

Lead Department: City Manager **Action Officer:** Shirley Jaster, City Manager
Resolution No. 2020-059 approving and authorizing the City Manager to
Subject: execute and implement a Water Supply and Distribution Contract with
Riverbend Water Resources District.

Briefing: 6/8/2020 **Public Hearing:** **Council Vote:** 6/8/2020

Item Schedule

Schedule 3: No briefing required (one week)

Updates/History of Briefing:

Executive Summary and Background Information:

Riverbend Water Resources District proposes a contract with the City and other Riverbend members for defeasance of bonded indebtedness secured through the Texas Water Development Board, which will provide \$200 million in proceeds for regional water infrastructure projects -- "Planned Improvements" -- detailed in the Riverbend contract; and, upon completion of one of the improvements, a new water treatment plant, Riverbend will provide treated water to Riverbend members, including Texarkana, utilizing Texarkana's water rights from Wright Patman Lake. The City Council would not be selling or surrendering its water rights; rather, Riverbend will use and administer water rights for the benefit of the region, including Texarkana; Riverbend will continually evaluate the short and long-term regional water supply and service needs of Texarkana and all Riverbend members; and Riverbend will continue to advocate the region's needs at the state and federal level.

The circumstances today demonstrate increased regional need for potable and non-potable water, economic development opportunities that may be advanced by construction of regional water infrastructure improvements, and aging treatment facilities. In anticipation of Riverbend's regional water infrastructure projects and the long-term water needs of the region, the City Council and Riverbend authorized Riverbend to secure federal and state permissions for locating additional, new diversion locations and intake structures at Wright Patman Lake [Joint Res. 2018-013] and applying for additional water rights from Wright Patman Lake with Texarkana as Permittee [Joint Res. 2019-106]. Water need projections for the next fifty years show a much greater need for water than currently permitted (current permits of 180,000 acre-feet/year; projected increase of 341,241 acre-feet/year; application made for additional 175,000 acre-feet/year). Regulatory requirements for the distribution system require a minimum capacity that is not within the capability of existing infrastructure (and Texarkana has been operating under an approved waiver of the capacity regulations). The absence of a raw water intake to deliver raw water to industry has negatively impacted the prospects of economic development of new industry that would need raw water for business operations. Advantages and advances of modern filtration technology to improve taste and regional agreement for

City of Texarkana, Texas

sharing of costs of construction and operation in proportion to water use favor the location of a site to be determined by Riverbend and outside the city limits. The prospect of making large capital improvements to the existing treatment plant at New Boston Road are hampered by the existing flood plain on portions of the property. The "Planned Improvements" include projected costs for decommissioning the New Boston Road Treatment Plant and other aging facilities which will not be needed for future water treatment and distribution.

For the purpose of supporting the issuance of bonds, Riverbend conducted a regional rate study identifying rates for the distribution and provision of water service in a take-or-pay arrangement pursuant to an agreed upon volume of water supply to each participating entity and other surrounding entities. Over the past year, representatives of Riverbend and representatives of its members have collaborated on a form template water supply contract for each Riverbend member. These form contracts have been submitted for review to the Texas Water Development Board as a necessary step for issuance of bonds. Riverbend now must obtain signed water supply contracts from each of its members to support and secure bonded indebtedness and to draw on bond proceeds which will be applied in phases to effectuate the "Planned Improvements". Following execution of the supply contracts and funding from TWDB, Riverbend will hire a project manager and begin the implementation of the "Planned Improvements". Engineering studies will be commissioned to determine the transition of the treatment and distribution system from the New Boston Road plant to a new Riverbend plant. That transition will then be addressed by Texarkana and Riverbend in a separate "transition agreement" which will also address Riverbend's administration and use of water rights secured by Texarkana and use of storage space in Wright Patman Lake as specified in contracts between Texarkana and the United States Government.

Nothing in the proposed contract prevents Texarkana from supplying water under current or future contracts with the City of Texarkana, Arkansas, and in the proposed contract Riverbend expressly approves of such supply by Texarkana. Texarkana Water Utilities will continue to serve both the residential, business, and industrial customers of the respective cities and operate and maintain the cities' respective water and wastewater facilities.

The proposed contract bears similarities to City arrangements for provision of treated water over the past six decades. In 1956, the City Council authorized a contract with the Texarkana Water Supply Corporation for the corporation to provide treated water through company-owned facilities utilizing Texarkana's water rights from what was then called the Texarkana Reservoir, now Wright Patman Lake. In authorizing the contract with the corporation, the City Council stated that the City "is surrendering none of its right to the ownership and operation of its present water supply or its water distribution system, but is expressly asserting its continued right to operate such water supply and distribution system." [Res. 54-56.] The Texarkana Water Supply Corporation later merged with the Lake Texarkana Water Supply Corporation; and in 1969, Texarkana contracted with the Lake Texarkana Water Supply Corporation for the City to purchase water intake and treatment facilities, and other cities in the region contracted with Texarkana for defeasance (that is, paying down) of the bonded indebtedness which provided the proceeds for Texarkana's purchase of the facilities and to purchase treated water. [Ord. 36-69.]

The proposed contract also advances policy decisions made by the City Council over the past twelve years. In 2008, the City Council authorized an Interlocal Cooperation Agreement with the Cities of Annona, Avery, DeKalb, Hooks, Maud, and New Boston, and later Red River Redevelopment Authority (now TexAmericas Center) to establish a governance group to work cooperatively on the creation of a municipal water district, functioning under the authority of the Texas Constitution, that would benefit all of the parties to the agreement and the region.

City of Texarkana, Texas

[Ord. No. 081-09.] That goal became a reality a year later with the creation by the Texas Legislature of Riverbend, a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of Riverbend, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons. In 2010, the City Council authorized an Interlocal Cooperation Agreement with Riverbend in anticipation of the district's future development of a project with capability of providing treated water to Texarkana and the region. [Ord. 043-2010.]

Potential Options:

Approval of the proposed contract as presented.

Fiscal Implications:

Until the new Riverbend treatment plant is built and water is supplied through that plant, initial contract payments will be limited to paying down bonded indebtedness while current treatment operations continue at the New Boston Road plant. When the new treatment plant goes online, Texarkana and Riverbend members will then pay for treated water per contract calculations; Texarkana's water supply contracts with Riverbend members will end.

Staff Recommendation:

City staff and TWU staff recommend approval of the contract.

Advisory Board/Committee Review:

Steve Mayo, Council's appointed water liaison recommends approval of the contract.

Board/Committee Recommendation:

Not applicable

Advisory Board/Committee Meeting Date and Minutes:

Not applicable

Attachments

- a. RES 2020-059 Approving Riverbend Water Supply Contract v3 (DOCX)
- b. 2020-059 EXH A 5.14.20 Riverbend Contract - Texarkana (PDF)
- c. 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (PDF)
- d. 2020-059 Goals & Perspectives (DOCX)

Staff Coordination

City Manager	Shirley Jaster	Department Head Review	Completed
	06/03/2020 4:11 PM		
Water Utilities	JD Phillips	Review	Completed 06/04/2020
11:44 AM			

City of Texarkana, Texas

City Attorney	Jeffery C. Lewis	Recommendation	Completed	06/04/2020
2:42 PM				
Purchasing and Contracting		Shirley Jaster	Purchasing Review	
	Skipped	06/02/2020 4:21 PM		
City Manager	Shirley Jaster	City Manager Review	Completed	06/04/2020
5:38 PM				
City Council	Vicky Coopwood	Meeting	Pending	06/08/2020
6:00 PM				

Meeting History

RESOLUTION NO. 2020-059

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, APPROVING A WATER DISTRIBUTION AND SUPPLY CONTRACT WITH RIVERBEND WATER RESOURCES DISTRICT; AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT ON BEHALF OF THE CITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Texarkana, Texas (“Texarkana”), is a Home-Rule Municipality under Chapter 9 of the Texas Local Government Code, having full power of local self-government; and

WHEREAS, Riverbend Water Resources District (“Riverbend”), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, and is comprised of member entities including Texarkana (collectively referred to as “the Member Entities”); and

WHEREAS, Riverbend and the Member Entities have collectively worked towards Riverbend becoming the regional wholesale water provider and for Riverbend’s procurement of funding for new regional water infrastructure and improvements; and

WHEREAS, representatives of Riverbend and representatives of the Member Entities have collectively worked to develop a Water Distribution and Supply Contract that will provide for long-term regional water service to Texarkana and the surrounding area; and

WHEREAS, the City Council finds and determines that approving and entering into the Water Distribution and Supply Contract with Riverbend will provide for a long-term regional water supply and the necessary infrastructure improvements for Texarkana, and is therefore in the best interests of the citizens of Texarkana; and

WHEREAS, the City Council finds and determines that in approving and authorizing the execution of this Water Distribution and Supply Contract with Riverbend, the City is not selling or surrendering water rights secured by judicial order and permits from the State of Texas; rather, the supply contract contemplates that Riverbend will use and administer water rights for the benefit of its Member Entities, including Texarkana.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1. The City Council hereby approves the Water Distribution and Supply Contract between Texarkana and Riverbend, a copy of which is attached hereto as **Exhibit A** and authorizes the City Manager to execute the contract on behalf of the City.

SECTION 2. The City Manager, in addition to authority to execute the **Exhibit A** contract, shall have additional authority to implement the purposes and intent of this resolution, including but not

limited to all related coordination with Riverbend for full execution and implementation of the contract.

SECTION 3: This Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **8th day of June, 2020.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

WATER DISTRIBUTION AND SUPPLY CONTRACT

THIS WATER DISTRIBUTION AND SUPPLY CONTRACT ("Contract"), made and entered into by and between the Riverbend Water Resources District, a conservation and reclamation district and body politic and corporate, having been created under Article XVI, Section 59 of the Texas Constitution ("Riverbend") and the City of Texarkana, Texas ("Member Entity"). Riverbend and Member Entity may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Member Entity is a home-rule municipality under the laws of the State of Texas located in Bowie County, Texas; and

WHEREAS, in 1969, the Member Entity entered into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation ("LTWSC"), attached hereto as **Exhibit A**, for the provision of regional water service through the purchase of various assets set forth in Schedule A of that agreement ("Company Facilities"), including the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana, Texas; and

WHEREAS, also in 1969, Member Entity entered into multiple water supply contracts attached hereto as **Exhibit B** with, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, and the City of Wake Village, Texas ("the Texas contracting cities"), for provision of potable water by means of Company Facilities; and

WHEREAS, LTWSC's bonded indebtedness was retired, LTWSC was involuntarily dissolved effective March 21, 2007, the Texas contracting cities exercised their respective rights under the **Exhibit B** contracts for a proportionate undivided ownership interest in Company Facilities calculated per formula and other criteria set forth in the contracts, and Member Entity conveyed such interests to each of the Texas contracting cities; and

WHEREAS, on May 6, 2008, the Texas contracting cities and the Member Entity entered into an Interlocal Cooperation Agreement establishing a governance group to work cooperatively to create a new water district that would benefit all of the parties to the agreement, and developing enabling legislation that would lead to the creation of Riverbend; and

WHEREAS, effective June 19, 2009, Riverbend was created by the Texas Legislature as a conservation and reclamation district, created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, codified at Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of Riverbend, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, in 2010, Member Entity and the Texas contracting cities entered into extensions of the 1969 water supply contracts, attached hereto as **Exhibit C**; and

WHEREAS, in 2011, the Texas Legislature reconstituted the Riverbend Board of Directors to be comprised of five (5) qualified voters who are residents within Riverbend's territory, as appointed by the local governing bodies of the Riverbend Member Entities pursuant to Sections 9601.005 and 9601.051 of the Texas Special District Local Laws Code; and

WHEREAS, Riverbend has identified regional water infrastructure projects under the Riverbend Regional Water Master Plan Study, attached hereto as **Exhibit D**, to be completed in order to improve and operate the Company Facilities; and

WHEREAS, Riverbend has also conducted a regional rate study identifying rates for the distribution and provision of water service in a take-or-pay arrangement pursuant to an agreed upon volume of water supply to Member Entity and other surrounding entities for the purpose of supporting the issuance of bonds; and

WHEREAS, as provided in section 21 of the **Exhibit B** contracts, the Texas contracting cities and Member Entity agreed that when LTWSC had been retired and proportionate undivided ownership interests in Company Facilities had been conveyed, they would provide appropriate arrangements for continued operation and maintenance of Company Facilities according to circumstances at the time; and

WHEREAS, circumstances today demonstrate aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, and therefore the Parties desire to enter into this Contract to effectuate the improvement of Company Facilities pursuant to the Riverbend Regional Water Master Plan Study (the "Planned Improvements") and provide for regional water service, including that needed by Member Entity; and

WHEREAS, Member Entity acknowledges that Riverbend will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bonded indebtedness, and that this Contract and all other contracts with surrounding entities will be used to support and secure these funds to pay for the Planned Improvements and the operation and maintenance of the regional water distribution system; and

WHEREAS, Member Entity acknowledges that any additional regional improvements or enhancements beyond the Planned Improvements must be approved by separate written agreement, and that this Contract is intended to cover only the Planned Improvements as specifically defined herein; and

WHEREAS, Member Entity and Riverbend acknowledge the obligations of Member Entity to continue to supply water through Company Facilities to other contracting entities; and

WHEREAS, Member Entity intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose of tendering

payment to Riverbend for the Planned Improvements and continued operation and maintenance of Company Facilities (collectively, "Regional Water System Facilities", as more specifically defined below); and

WHEREAS, said operation and maintenance of Regional Water System Facilities shall include, by separate agreement between Riverbend and Member Entity, Riverbend's access to Company Facilities, use of certain water rights obtained by Member Entity, set out in Certificate of Adjudication No. 03-4836 issued by the Texas Commission on Environmental Quality ("TCEQ") or its predecessor agency, and use of storage space in Wright Patman Lake as specified in contracts between the United States Government and Member Entity (Contract No. DACW29-68-A-0103 and Contract No. DACW29-69-C-0019); and

WHEREAS, both Riverbend and Member Entity, acting through their duly constituted governing bodies, have mutually agreed upon the terms and conditions of this Contract; and

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings set forth herein, the Parties agree and contract as follows:

SECTION 1: DEFINITIONS

Terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

- (A) "Advances" means the advance payments, if any, made by Member Entity for initial Riverbend operations pursuant to that 2010 Interlocal Cooperation Agreement between Riverbend and Member Entity, attached hereto as Exhibit E, that were paid upfront in exchange for dollar-for-dollar Water Payment Credits that apply to Member Entity's water purchases at such time as Riverbend begins selling water to Member Entity upon completion of the new water treatment plant portion of the Planned Improvements.
- (B) "Connection" means a single family residential unit or each commercial or industrial establishment to which drinking water is supplied from the system, as set forth in Title 30, Texas Administrative Code, Part 1, Chapter 290, Subchapter D, Section 290.38, as it may be renumbered or amended.
- (C) "Effective Date" means the date of last execution by the Parties to this Contract, as set forth in Section 16(m).
- (D) "Excess Water Sold" means any additional water purchased by Member Entity above the Minimum Quantity.
- (E) "Fiscal year" means the twelve month period beginning October 1 and ending September 30, or such other twelve month period as designated by Riverbend.
- (F) "Gpm" means gallons per minute, U.S. standard liquid measure.

- (G) “Minimum Quantity” means the minimum amount of water that shall be purchased by Member Entity per each fiscal year during the Term of this Contract.
- (H) “Minimum Monthly Payment” means the base payment that is calculated according to Section 3 and is automatically billed to Member Entity each month during the Term of this Contract.
- (I) “Planned Improvements” means the construction, improvements and betterments to the regional water treatment and distribution facilities as specifically identified in the attached **Exhibit F**.
- (J) “Point of Delivery” means the master meter location at which Member Entity takes delivery of the wholesale treated water from Riverbend, the location of which is specifically set forth in **Exhibit G**.
- (K) “Regional Capital Improvement Fund” means funds which are restricted to be used for costs of depreciation, rehabilitation and/or repair of the Planned Improvements, and specifically limited to the maximum treatment and distribution capacity of the Planned Improvements. Funds allocated to the Regional Capital Improvement Fund shall only be from those rates in place during the same fiscal year as the transfer of funds to the Regional Capital Improvement Fund.
- (L) “Regional Water System Facilities” means all regional water distribution and treatment facilities previously referred to as “Company Facilities,” together with the Planned Improvements, including Riverbend’s operation and maintenance thereof, and any outstanding debts related to all such facilities.
- (M) “Riverbend Member Entity(ties)” means those entities specifically listed as members of Riverbend under Section 9601.005(a) of the Texas Special District Local Laws Code, as it may be renumbered or amended, and those additional member entities as of the Effective Date of this Contract, including the City of Annona, the City of Avery, the City of DeKalb, the City of Hooks, the City of Leary, the City of Maud, the City of Nash, the City of New Boston, the City of Redwater, the City of Texarkana, Texas, the City of Wake Village, the Central Bowie Water Supply Corporation, the Oak Grove Water Supply Corporation, and the TexAmericas Center. The term shall also include any members added pursuant to Section 9601.005(b) of the Special District Local Laws Code, as it may be renumbered or amended.
- (N) “Riverbend territory” means all of that territory in the Cities of Annona, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, Texas, Wake Village, Central Bowie Water Supply Corporation, Oak Grove Water Supply Corporation, and the TexAmericas Center, and shall also include the territory of any municipality, county, or other political subdivision that joins the district as a member, and all that territory added to that of a Riverbend Member Entity by annexation or

other means, as set forth in Section 9601.006 of the Special District Local Laws Code, as it may be renumbered or amended.

- (O) "TCEQ" means the Texas Commission on Environmental Quality, or its predecessor or successor agency, as applicable.
- (P) "Term" means the duration of this Contract as set forth in Section 6.
- (Q) "Transition Date" means the date when the Riverbend Board of Directors determines that Riverbend has the capability to provide potable water in agreed-upon quantities to Member Entity and all other Member Entities by means of the Regional Water System Facilities, as more specifically described in Section 12.
- (R) "Total Monthly Payment" means the Minimum Monthly Payment plus any additional payments required under Section 3, if any, due to Riverbend each month.
- (S) "Ultimate Rule Curve" means "the total operating rule curve storage space" as currently defined or amended in Article 1, section "c", of the contract between the United States of America and Member Entity, Contract No. DACW29-68-A-0103, and as authorized by the State of Texas as necessary to implement the permanent lake level of Wright Patman Lake.
- (T) "Water Payment Credit(s)" means the dollar-for-dollar reduction of the total annual payment owed for the Minimum Quantity that is applied through a pro rata reduction to each Minimum Monthly Payment, which shall be disbursed by Riverbend in recognition of and based upon the Advances, if any, paid by Member Entity in accordance with Section 3(g).

SECTION 2: QUANTITY OF WATER; POINT OF DELIVERY; TITLE

- (a) Minimum Take-or-Pay Quantity. Riverbend will make available to Member Entity at the Point of Delivery defined herein in Subsection (e), and Member Entity agrees to purchase and take at said Point of Delivery, wholesale treated water in an amount not less than 2,266,466,516 gallons per fiscal year, provided at the Rate of Delivery and pressure stated below in Section 2(j). Member Entity agrees to make the Minimum Monthly Payments calculated as set forth in Section 3 as consideration for such distribution and provision of wholesale treated water and Riverbend's operation and maintenance of the Regional Water System Facilities during the Term. The Minimum Quantity is based upon the 2017-2018 volumes recorded and set forth in Exhibit H. The Minimum Monthly Payments represent monthly installment fees paid in a take-or-pay arrangement for the entire Minimum Quantity of water over the course of the fiscal year. The Minimum Quantity may be adjusted upward in the event Riverbend determines additional water is available, and such increase in the Minimum Quantity amount shall be approved through separate written agreement between the Parties. Any additional water available for sale by Riverbend from the Planned Improvements shall be allocated at the time the water is or becomes available as follows, listed in sequential order of priority:

- (1) First to Riverbend Member Entities, or their respective lessees or grantees, that have submitted written requests for additional or new water to Riverbend pursuant to Section 15, and prioritized among Riverbend Member Entities, or their respective lessees or grantees, based on the order of receipt by Riverbend;
 - (2) Next to existing third-party contract customers of Riverbend that have submitted written requests for additional water to Riverbend, and prioritized among third party contract customers based on the order of receipt by Riverbend; and
 - (3) Lastly, to new third-party contract customers.
- (b) Supply of Water to Member Entity from Other Contracts. Nothing in this Contract shall prevent Member Entity, or any other Riverbend Member Entity, from entering into a water supply contract with any other supplier of water that provides treated water through the supplier's (or Member Entity's) own facilities.
- (c) Unit of Measurement. The unit of measurement for water delivered hereunder shall be each 1,000 gallons of water, U.S. Standard Liquid Measure.
- (d) Additional Water Beyond Minimum Quantity. For all wholesale, treated water provided to Member Entity in excess of that to which it shall be entitled under the Minimum Quantity from the Planned Improvements (the "Excess Water Sold"), Member Entity shall pay the same rate per 1,000 gallons of Excess Water Sold as that established for water sold under the Minimum Quantity. Any Excess Water Sold shall only be delivered by Riverbend on an as-available basis pursuant to Section 2(a), and shall not change the Minimum Quantity set forth herein in any given fiscal year unless otherwise agreed to by the Parties in writing.
- (e) Point of Delivery. The Point of Delivery for the Minimum Quantity or Excess Water Sold to Member Entity shall be as delineated as the location set forth in **Exhibit G** to this Contract.
- (f) Title. Title to all water supplied hereunder shall remain in Riverbend up to the Point of Delivery. Upon passing through Riverbend's meter(s) existing and installed at the Point of Delivery, such title to the water shall pass to Member Entity at all stages of water treatment, uses, reuses, and wastewater treatment and disposition unless otherwise agreed by Member Entity in writing. To the extent permitted by law, the Parties shall be responsible for and agree to SAVE AND HOLD THE OTHER PARTY HARMLESS from all claims, demands and causes of action which may be asserted on account of the transportation, delivery and disposal of said water while title remains in such Party.
- (g) Delivery Limitations. The Parties acknowledge and agree that Member Entity cannot be guaranteed any specific quantity or pressure of water whenever Riverbend's supply of water is limited or when the Regional Water System Facilities may become inoperative or in need of maintenance and repair. Riverbend shall give Member Entity reasonable notice of any possible interruption in the quantity or pressure of water. In the event of a temporary shortage of water, Riverbend shall distribute the available supply to Member Entity as

required by state law, including but not limited to Section 11.039 of the Texas Water Code, as it may be amended or renumbered. In the event of the implementation of water delivery and use restrictions pursuant to Riverbend's Drought Contingency Plan, as amended from time-to-time, which is developed and implemented under Section 11.1272 of the Texas Water Code, as it may be amended or renumbered, Riverbend will limit and restrict Member Entity in the same manner as that for all Riverbend Member Entities and on a pro rata basis. Accordingly, Member Entity shall adopt a Water Conservation Plan and Drought Contingency Plan consistent with those of Riverbend, as they may be amended from time-to-time.

- (h) Limitation on Resale. Except as provided herein, Member Entity shall not sell water supplied by Riverbend other than for retail water service to the Member Entity's current and future customers. Member Entity acknowledges and agrees that Riverbend has or will issue bonds, the interest of which is excludable from the gross income of the owners thereof for federal income tax purposes ("Tax Exempt Bonds"), and that such tax-exempt status will allow Riverbend to borrow funds at interest rates that will be lower than otherwise available to Riverbend, thereby lowering costs to Member Entity and the other Riverbend Member Entities. Certain laws may impose restrictions on the use of proceeds of any such Tax Exempt Bonds and on the use of the facilities and property financed by the Tax Exempt Bonds. As such, and except as provided in Section 2(i), Member Entity will not enter into any water supply contract other than with a retail customer for the provision of water service by Member Entity unless it has notified Riverbend in writing of its intent to enter into such contract and received approval from Riverbend. This section shall be of no further effect upon the retirement of all bonded indebtedness. Riverbend acknowledges and agrees that nothing herein shall affect Member Entity's current or future supplying of treated water under separate agreement between Member Entity and the City of Texarkana, Arkansas, and Riverbend expressly approves of such supply by Member Entity.
- (i) Other Contracts. Nothing in this Contract shall prevent Member Entity, or any other Riverbend Member Entity, from entering into water supply contracts with a supplier that provides treated water other than through Company Facilities that is commingled with other treated water in the Regional Water System Facilities.
- (j) Rate of Delivery and Pressure. Riverbend agrees to make available to Member Entity at the Point of Delivery wholesale treated water in the amounts required by Member Entity up to a rate of delivery of water, which shall be no less than 4,309 gallons per minute at any instant in time. Riverbend shall design and operate its facilities to ensure that treated water is provided to Member Entity at the Point of Delivery at not less than 35 pounds per square inch gauge measurement.

SECTION 3: PAYMENTS FOR WATER

- (a) Calculation of Minimum Monthly Payment. All payments by Member Entity to Riverbend prior to the Transition Date shall be based only on debt service under Subsection (1) of this section and the payments made pursuant to the agreement in **Exhibit E**. Payments made prior to the Transition Date shall be billed and paid pursuant to Section 3(d). Beginning

30 days prior to the Transition Date, the Minimum Monthly Payment shall be billed monthly as a price per 1,000 gallons of the Minimum Quantity of water purchased by the Member Entity on a take-or-pay basis for the fiscal year. The rate per 1,000 gallons of water shall consist of the sum total of the following, and as divided into monthly installments for the total Minimum Monthly Payment:

- (1) Debt Service. All amounts required for amortization of the Planned Improvements, including all bonds issued to provide and complete the Planned Improvements to Regional Water System Facilities pursuant to the terms and conditions of the bond authorizing resolutions and including, without limitation, the payment of all principal and interest, fees and charges of paying agents, and for the maintenance of any reserve, contingency or other funds necessary to pay the debt service of Riverbend. It is expressly understood, however, that after all bonds and all interest thereon have been completely paid and discharged, the provisions of this subsection (a)(1) item shall no longer apply in the computation of a rate per 1,000 gallons of water included in the Minimum Monthly Payment.
 - (2) Advanced Rate Reduction Fund. All amounts that accumulate towards the reduction of rates for the purpose of keeping the price per 1,000 gallons of water lower over time in order to prevent rate increases in excess of one-hundred twenty five percent (125%) in such rate per 1,000 gallons of water in a future fiscal year.
 - (3) Maintenance and Operation Expenses. All amounts required by Riverbend for the maintenance, operation and administration of all Regional Water System Facilities. Such expenses shall also include all water storage and water rights expenses as a pass through cost to be included in the calculation of maintenance and operation expenses. In order to determine the actual costs of operating and maintaining the Regional Water System Facilities for the purpose of computing the amount to be paid by Member Entity, Riverbend agrees that it will keep detailed and accurate accounts showing all direct expenses of operation and maintenance, including but not limited to labor and materials, power and pumping costs, purification and transmission costs. In addition, indirect expenses such as insurance, administration and supervision, transportation clearing account, general administrative expenses, including labor and supplies, utilities, rents, and all other expenses shall be accounted for and allocated to operation and maintenance of the Regional Water System Facilities.
- (b) Rates Based on Cost of Service. All rates charged under this section shall be set to recover the cost of service, based on generally accepted rate making principles, including but not limited to those set forth in the American Water Works Association ("AWWA") Manual M1 on water rates. As part of the budget and planning process set forth in Section 3(f), each year Riverbend shall conduct a Capital Matrix Study that includes recommended regional wholesale rates based on costs of service in determining the regional rate. A copy of the most recent Capital Matrix Study conducted by Riverbend as of the Effective Date of this Contract is attached hereto as **Exhibit I** and incorporated herein for all purposes. The estimated rates per 1,000 gallons of the Minimum Quantity as of the Effective Date

of this Contract are based upon a rate study conducted by Riverbend and are set forth in Exhibit J, which is attached hereto and incorporated herein for all purposes. Such rates set forth in Exhibit J are general estimates of the rates projected as of the Effective Date, and are not intended to replace the annual budget and official rate setting process set forth in Section 3(f). In addition, Member Entity, along with the other municipal Riverbend Member Entities, approved funding resolutions related to the regional rates and the rate-making process, copies of which are attached hereto as Exhibit K and incorporated herein for all purposes.

- (c) Riverbend Payments. Riverbend shall also pay the same rate per 1,000 gallons of water as Riverbend Member Entities for all retail treated water sold to Riverbend customers. Pursuant to the budget process set forth in Section 3(f), Riverbend shall set a rate per 1,000 gallons for any raw, untreated water sold for industrial or any other purposes, and any revenues of such raw water sales shall be used to offset the costs of Riverbend's expenses set forth in Section 3(a)(3) calculated to form the rate per 1,000 gallons of wholesale treated water.
- (d) Monthly Payment Schedule and Billing. Riverbend shall bill Member Entity monthly for the Total Monthly Payment owed to Riverbend. Such Total Monthly Payment shall include the Minimum Monthly Payment plus any additional costs for additional services or Excess Water Sold during the previous calendar month. Each bill shall be delivered by Riverbend to Member Entity not later than the 15th day of each calendar month, and Member Entity shall make payment of the entire balance of the bill not later than the 15th day of the following month in which the bill is received. All payments shall be received not later than the payment deadline at the Riverbend office address set forth in Section 15.
- (e) Late Payment. In the event Member Entity fails to make any payments at the times herein specified, interest on such past due amounts shall accrue at the rate of five percent (5%) per month, or the maximum rate allowed by law, whichever is less, to be prorated as necessary, from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made timely, Riverbend shall have the remedies available under Section 16(j). Nothing in this Contract shall be construed as relieving Member Entity of its obligation to make the payments required by this section.
- (f) Riverbend Budget. Not later than August 1st of each fiscal year, commencing with Riverbend's fiscal year in which this Contract becomes effective, Riverbend shall provide Member Entity with a copy of Riverbend's proposed budget for the following fiscal year, showing the budgeted rate per 1,000 gallons on an annual and monthly installment basis, and all components thereof, to be paid by Member Entity for the following fiscal year. Such proposed budget shall also include a detailed report showing all costs and all revenues received under Section 3(a) for the as-current fiscal year. The detailed reporting for budget purposes shall also include Riverbend's sales of raw water for the as-current fiscal year, if any, and the rate at which such raw water was sold. The budget shall also include the percentage of Member Entity's and the Other Member Entities' obligated Minimum Monthly Payments based upon the percentage of each entity's Minimum Quantity to the total water sold to Riverbend Member Entities, for those budget years when such information is

applicable. Member Entity shall have thirty (30) days to review and provide written comments on the proposed budget. Riverbend shall adopt its fiscal year budget as soon as practicable following the expiration of the thirty (30) day comment period. Depreciation shall be budgeted for in each applicable annual budget, and all depreciation values set aside will be maintained in the Regional Capital Improvement Fund. Each annual budget and the financial statements reflecting the balance of the Regional Capital Improvement Fund shall include a line item showing the starting and ending balances of depreciation for each fiscal year. Riverbend will also conduct a comprehensive financial audit at the conclusion of each fiscal year as required by the laws governing Riverbend. The beginning and ending budget balances as of the Effective Date are set forth in Exhibit L, which is attached hereto and incorporated herein for all purposes. All payments made pursuant to the agreement in Exhibit E shall continue until such time as the Minimum Monthly Payment applies as set forth herein. All fees paid to Riverbend under the Exhibit E agreement by Member Entity in the form of Advances to be exchanged for Water Payment Credits for the purchase of water in future years shall be discontinued through the budget process at such time as the new water treatment plant portion of the Planned Improvements is completed and operational and Member Entity begins paying the Minimum Monthly Payment as set forth herein. Water Payment Credits shall be exchanged by Member Entity in accordance with Section 3(g).

- (g) True Up. Beginning with the first budget cycle after the new water treatment plant portion of the Planned Improvements is completed and operational, Riverbend shall annually review its official audit to conduct a “true-up” review for the year to which the audit applies to determine whether there was any over-recovery or under-recovery of operational costs during that fiscal year in relation to Member Entity’s actual usage as compared to the Minimum Quantity paid for on a take-or-pay basis in advance as provided herein. Any over-recovery or under-recovery of costs shall be carried over as a credit or debit owed to Member Entity or Riverbend, as applicable, to the costs included in the budget that are considered to determine the rate and annual payment owed by Member Entity for the following fiscal year. Such annual true up shall also include an exchange of Member Entity’s Advances for Water Payment Credits, if redeemable pursuant to the annual true up review, whereby the total dollar amount of Advances paid by Member Entity shall be credited to the total dollar amount owed for the following fiscal year, applied on a prorated basis through a pro rata reduction in each Minimum Monthly Payment for the year; provided, however that the maximum amount of a Water Payment Credit in one year shall not exceed ten percent (10%) of the total Advances/total Water Payment Credits amount owed to Member Entity. Riverbend shall provide such Water Payment Credits in this manner each year until the Water Payment Credits have been fully disbursed to Member Entity.
- (h) Raw Water and Industrial Water Sales by Riverbend. Except as otherwise provided in any agreement entered into pursuant to Section 2(a), all raw, untreated water not allocated to a Riverbend Member Entity, or their respective lessees or grantees, shall remain in the exclusive possession and control of Riverbend for the benefit of Riverbend Member Entities, or their respective lessees or grantees, whether such benefit be in the form of reservation of water for future use and/or sales to third parties which shall benefit Member Entities pursuant to Subsection (i). Any raw, untreated water available shall be prioritized for sale by Riverbend in accordance with the sequential order set forth in Section 2(a).

- (i) No Subsidizing of Third Party Customers; Priorities on Applying Profits or Excess Revenues. In the event Riverbend uses the Regional Water System Facilities to provide industrial, commercial, wholesale, raw water, and/or any other type of water distribution or service to third parties that are not a Riverbend Member Entity or their respective lessees or grantees (the "Third Party Sales"), the rate charged for such Third Party Sales shall include the pro rata rate for operating and maintaining the Regional Water System Facilities as that paid by Riverbend Member Entities. It is the intent that all Riverbend Member Entities receive a pro rata share or benefit pursuant to Section 13 from any use of the Regional Water System Facilities to provide Third Party Sales. Any and all profits or revenues Riverbend generates either by such Third Party Sales or from the sale, lease, or any other authorization to store, divert, and/or use water developed pursuant to the implementation of the Ultimate Rule Curve, regardless of the place or purpose of use, and regardless of whether the water is stored in or diverted from Wright Patman Lake or utilized by other means, shall be applied by Riverbend as follows, listed in sequential order of priority:
- (1) First pay down any Riverbend outstanding bond obligations;
 - (2) If all bonded indebtedness has been retired, next cover a portion of the operational costs to allow for rates to be reduced for all Member Entities; and
 - (3) Remaining revenues shall be paid in dividends on a pro rata basis to Riverbend Member Entities based on percentage of interest as set forth in Section 13. Member Entity has the discretion of whether to accept such dividend in the form of a future credit on one or more Total Monthly Payment(s), through check issued by Riverbend directly to Member Entity, or through contribution to the Regional Capital Improvement Fund, as defined in Section 1(K). If Member Entity elects to have its available dividends issued by check or applied to the Regional Capital Improvement Fund, Member Entity shall specify either method by resolution of its governing body not later than October 1st of each year where a dividend payment applies after receipt of notice from Riverbend that a dividend is owed. Failure of Member Entity to provide Riverbend with a copy of such resolution by October 1st upon receiving notice of the availability of dividends shall result in the issuance of the dividend to Member Entity in the form of a future credit.
- (j) Additional Services. In the event Member Entity requests additional services from Riverbend in addition to the Planned Improvements as specifically set forth herein that will be for the exclusive benefit of the Member Entity, or a combination of Member Entity and any other Riverbend Member Entity, Member Entity and Riverbend shall execute a separate written agreement in accordance with Section 7, and any additional payment required thereunder may be billed in addition to the Minimum Monthly Payment for a Total Monthly Payment. Any such payments for additional services shall not be credited towards or change Member Entity's obligation to pay the Total Monthly Payment as set forth herein.
- (k) Rates of Member Entity. Member Entity agrees to fix and collect such rates and charges for water services to its customers as will, in combination with any other funds legally

available and reasonably assured for the purpose, make possible the prompt payment of all payments due hereunder.

- (l) Unconditional Obligation to Pay. Member Entity recognizes that Riverbend's bonds will be payable from and secured by pledges of the sums of money to be received by Riverbend from Member Entity under this Contract, from the other Riverbend Member Entities under similar contracts, and from other Riverbend customers. In order to make such bonds marketable at the lowest available interest rate, it is to the mutual advantage of Riverbend and Member Entity that Member Entity's obligation to make the payments required hereunder be, and the same is hereby made, unconditional. Consequently, the payments required to be made by Member Entity under the terms of this Contract shall be due and payable as herein specified in any and all events and regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the construction of Planned Improvements, regardless of whether the Regional Water System Facilities shall have been wholly or partially destroyed or damaged and/or whether Riverbend shall have tendered water to Member Entity. This covenant shall be for the benefit of the holders of Riverbend's tax-exempt bonds, secured in whole or in part from revenues of the Regional Water System Facilities. The agreement by Member Entity to make the payments required are separate and independent covenants and Member Entity shall have no right of offset, recoupment, or counterclaim. Member Entity agrees to operate and maintain its water system in such manner and to make such charges for the water and services supplied thereby to all customers so that the revenues derived therefrom will always be adequate to enable Member Entity to promptly make all payments due to Riverbend under this Contract. All payments so made shall be deemed expenses of maintaining and operating Member Entity's water system.
- (m) Operating Expenses. Member Entity represents and covenants that the water supply to be obtained pursuant to this Contract is essential and necessary to the operation of its waterworks system, and that all payments to be made hereunder by it will constitute reasonable and necessary operating expenses of Member Entity's waterworks system as defined in Section 1502.056 Texas Government Code, as amended; and that all such payments will constitute reasonable and necessary operating expenses of the Member Entity's waterworks system, under any and all revenue bond issues of Member Entity.
- (n) Payments from Water Revenues. Riverbend shall never have the right to demand payment by the Member Entity of any obligations assumed by it or imposed on it under and by virtue of this Contract from funds raised or to be raised by taxes levied by the Member Entity. The Member Entity's obligations under this Contract shall never be construed to be a debt of the Member Entity of such kind as to require it under the law of this State to levy and collect a tax to discharge such obligation, it being expressly understood by the Parties hereto that all payments due by the Member Entity hereunder are to be made from water revenues received by the Member Entity.

SECTION 4: WATER QUALITY

Riverbend agrees to operate the treatment and transmission facilities in such manner as is required by the laws of the State of Texas and TCEQ rules up to the Point of Delivery. It is the intent of the Parties that the water supplied under this Contract shall be treated water meeting the potable water requirements of TCEQ and Texas Department of State Health Services, and of their respective successor agencies, as applicable, including at the Point of Delivery.

SECTION 5: WATER MEASUREMENT

- (a) Master Meter. Riverbend shall furnish and install at the Point of Delivery by the Transition Date, as defined in Section 12, an electromagnetic-type or ultrasonic-type master meter, or, as technology develops during the life this Contract, a meter with equivalent or superior accuracy and reliability, for measuring the quantity of water delivered to Member Entity under this Contract (the "Master Meter"). Riverbend will, at its sole expense, select, install, test, and maintain the Master Meter based on guidance and practices provided by the American Water Works Association in *AWWA Manual M6*, and will continue to do so at all times during the life of this Contract in conformity with all addenda, amendments, and any other updates to *AWWA Manual M6*. Both Riverbend and Member Entity shall have access to the Master Meter and related equipment and other appurtenances at all reasonable times. Riverbend will at all times keep a true record of all Master Meter readings. Riverbend will provide Member Entity such information, at a minimum, not later than the 10th day of each month.
- (b) Meter Calibration. Riverbend will be solely responsible for operating, maintaining, testing, and calibrating the Master Meter and all related metering equipment. Riverbend will test the Master Meter calibration, including all related metering equipment, as often as it considers necessary, but in no event less than twice each calendar year. If the results of any calibration test indicate a measurement inaccuracy in excess of two percent (2%), Riverbend will correct its records that reflect the inaccuracy for a period extending back to the time such inaccuracy began, if such time is ascertainable. If the time the inaccuracy began is not ascertainable, then Riverbend will correct its appropriate records for a period extending back one-half of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If the Master Meter is out of service or in need of repair so that Riverbend cannot measure water delivery volumes within two-percent accuracy, Riverbend will correct the error in its records that indicate the amount of water it has delivered or will deliver to the Member Entity during the period the Master Meter is out of service or in need of repair by correcting the error if the percentage of the error is ascertainable by Master Meter calibration tests, or by estimating the quantity of water by the deliveries made during preceding periods under similar conditions when the meter was registering accurately. Riverbend will notify Member Entity in writing at least three business days before it conducts any accuracy testing of the Master Meter. Riverbend will allow Member Entity's representatives and agents to be present during the testing for observation.

SECTION 6: TERM OF CONTRACT

This Contract shall be and continue in full force and effect for a period of fifty (50) years following the Effective Date (the "Term"). This Contract shall automatically be extended for two (2) additional ten (10) year terms, unless either Party terminates it at the end of the then current Term by giving the other Party written notice of the intent to terminate at least six (6) months prior to the end of the then current Term.

SECTION 7: MODIFICATION OF PROVISIONS

This Contract may be modified only by separate written agreement between the Parties, and only following approval of the governing bodies of both Riverbend and Member Entity. No separate written agreement shall be made between the Parties that in any way affects or alters, Member Entity's Minimum Monthly Payment and all other payment obligations hereunder as such are based on Riverbend's issuance of bonds.

SECTION 8: SALES OR USE TAXES

In the event any sales or use taxes, or taxes of any similar nature, are hereafter imposed upon the sale, use, or consumption of the water received by Member Entity under this Contract, the amount of such taxes shall be borne by Member Entity, in addition to all other charges, and whenever Riverbend shall be required to pay, collect, or remit any such taxes on water received by Member Entity then Member Entity shall promptly reimburse Riverbend for such amount.

SECTION 9: RIVERBEND USE OF MEMBER ENTITY FACILITIES

Member Entity grants permission for Riverbend to use only the Regional Water System Facilities and related infrastructure necessary to provide water to Member Entity, including only that ingress and egress reasonably necessary for access to the Regional Water System Facilities.

SECTION 10: PLANNED IMPROVEMENTS

The Parties acknowledge and agree that some or all of the Planned Improvements are subject to the issuance of bonds, and that Riverbend is not in a position to guarantee the construction of the Planned Improvements to the Regional Water System Facilities or the date on which such Planned Improvements will be complete. Riverbend agrees, however, to make reasonable, diligent efforts to provide the Planned Improvements, but is not liable to Member Entity for any damages occasioned by delay in funding for any Planned Improvements. It is further understood that any obligation on the part of Riverbend and Member Entity is conditioned upon the successful sale of Riverbend bonds in the amounts required to provide some or all of the Planned Improvements. Member Entity acknowledges and agrees that Planned Improvements identified in **Exhibit F** are necessary for the distribution of wholesale potable water service to Member Entity and the Riverbend Member Entities.

SECTION 11: FORCE MAJEURE

- (a) The term "Force Majeure" as employed in this Contract means acts of God, strikes, lock-outs, or other industrial disturbances, acts of public enemy, orders or actions of any kind of the government of the United States or of the State of Texas, or any civil or military authority, insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, or canals or other structures or machinery, partial or entire failure of water supply and inability on the part of Riverbend to deliver water hereunder, or of Member Entity to receive water, on account of any other cause not reasonably within the control of the Party claiming such inability.
- (b) If either Party is unable to carry out its obligations under this Contract because of Force Majeure, then the obligations are suspended during the continuance of the asserted inability, but for no longer period, if the Party notifies the other in writing, within 10 calendar days of the Force Majeure, describing the inability and why it interferes with the notifying Party's obligations. The Parties shall endeavor to remove or overcome such inability with all reasonable dispatch.
- (c) The settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty. The above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the Party having the difficulty. No failure of Riverbend to meet any obligation by reason of Force Majeure shall relieve Member Entity from its obligations to make the Minimum Monthly Payment as set forth in Section 3.
- (d) No damage shall be recoverable from Riverbend by reason of the suspension of delivery of water due to any of the causes above mentioned. If Riverbend's ability to deliver water to Member Entity is affected by any of such causes, Riverbend shall promptly notify Member Entity in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption.
- (e) It is expressly recognized by Member Entity that Riverbend may be compelled to make necessary alterations, repairs, or extensions of new or additional water transportation facilities from time to time during the Term of this Contract. Suspension of delivery to Member Entity due to such operation shall not be cause for claim of damage on the part of Riverbend, provided that Riverbend will make all reasonable effort to provide Member Entity with water in accordance with this Contract. Riverbend will give Member Entity as much advance notice as may be practicable of the suspension of delivery and of the estimated duration thereof.

SECTION 12: AGREEMENT BETWEEN RIVERBEND AND MEMBER ENTITY REGARDING TRANSITION DATE; OTHER RIVERBEND MEMBER ENTITIES

Member Entity has contracted with the other Riverbend Member Entities for water supply ("the current water supply contract"). Riverbend and Member Entity, has or will enter into a separate contract regarding the Transition Date. Riverbend shall provide written notice to Member Entity specifying the Transition Date, which shall be delivered not less than 60 days prior to Riverbend's scheduled delivery of water to Member Entity on the Transition Date. Member Entity will execute agreements with the other Riverbend Member Entities, attached hereto in **Exhibit M** and incorporated herein for all purposes, in order for the Transition Date to also function as a termination date of the mutual obligations under the current water supply contract. Riverbend will enter into water supply contracts of similar form to this Contract with other Riverbend Member Entities for the purpose of effectuating the Planned Improvements and provision of regional water service to Riverbend Member Entities.

SECTION 13: FUTURE INTEREST IN FACILITIES

It is agreed by Riverbend that at such time as all bonds or other indebtedness incurred in connection with those facilities owned by Riverbend within the Regional Water System Facilities have been fully paid and discharged, Riverbend will, upon Member Entity's request, convey to Member Entity an undivided interest in such facilities equal to that percentage of the amount paid by Member Entity under this Contract to discharge the principal of bond obligations issued by Riverbend, as that amount compares to the amount paid by the other Riverbend Member Entities, each of whom shall be entitled to a like conveyance representing their proportionate contributions of like nature to retire such bonds and any other indebtedness. Such conveyance is contingent on Member Entity's full performance of this Contract through the date all bonds or other indebtedness have been fully paid and discharged.

SECTION 14: ADVISORY COMMITTEE

Member Entity may appoint one of the members of its governing body or one of its officers or employees as a member of an Advisory Committee which will be composed of one member appointed by each of the Riverbend Member Entities. The function of the Advisory Committee will be to consult and advise with representatives of Riverbend concerning the Planned Improvements and any future plans for expansion, methods for improved service, and other matters of mutual interest for regional water distribution. Said Advisory Committee may make recommendations with reference to any related matters to the Riverbend Board.

SECTION 15: NOTICES

Any formal notice, request, or demand provided for in this Contract shall be in writing and shall be considered to have been duly delivered when sent by email, with a copy also to be sent by registered or certified mail to the addresses set forth below. The date of receipt for any registered or certified mail shall serve as the date of delivery. Bills submitted by Riverbend to Member Entity may also be sent by email to the email address set forth below. Contact by phone or facsimile may

be utilized by the Parties as necessary for informal, day-to-day communication regarding the provision of water supply to Member Entity, at the information set forth below.

Any such notice to Riverbend: Riverbend Water Resources District
Attn: Executive Director/CEO
228 Texas Avenue, Suite A
New Boston, Texas 75570
Phone: (903) 831-0091 Facsimile: (903) 831-0096
Email: kyledooley@rwrdd.org

Any such notice to Member Entity: City of Texarkana, Texas
Attn: City Manager
P.O. Box 1967
Texarkana, Texas 75504-1967
Phone: (903) 798-3900 Facsimile: (903) 798-3448
Email: Jaster@txkusa.org

Either Party may change the address or other contact information for notice to it by giving notice of such change in accordance with the provisions of this section.

SECTION 16: MISCELLANEOUS

- (a) Recitals and Exhibits. Each of the recitals set forth above is true and correct, and incorporated herein for all purposes. Exhibits A through O attached hereto are incorporated hereby reference for all purposes:

Exhibit A	1969 "Water Supply System Sale-Purchase-Financing Agreement" between Lake Texarkana Water Supply Corporation and Member Entity
Exhibit B	1969 water supply contracts between Member Entity and the "Texas contracting cities"
Exhibit C	2010 extensions of 1969 water supply contracts between Member Entity and the "Texas contracting cities"
Exhibit D	Riverbend Regional Water Master Plan Study
Exhibit E	2010 Interlocal Cooperation Agreement
Exhibit F	Planned Improvements
Exhibit G	Point of Delivery Delineation
Exhibit H	2017-2018 True Up Showing Minimum Quantity Amount
Exhibit I	Capital Matrix
Exhibit J	Rate Study

Exhibit K	Member Entity Funding Resolutions
Exhibit L	Beginning and Ending Balances for Budget Purposes
Exhibit M	Termination Agreements between Member Entity and other Riverbend Member Entities
Exhibit N	Insurance Coverages
Exhibit O	Resolutions Approving this Contract

- (b) Insurance. As to all activities undertaken by or on behalf of the Parties, and as a separate and independent obligation hereunder, the Parties shall each carry during the Term of this Contract insurance in the amounts and for the coverages set forth on Exhibit N. Within thirty (30) days after the Effective Date, the Parties shall provide each other the current certificates evidencing such insurance coverages, and shall to the extent of the liabilities assumed, require that all of its insurance policies, whether or not required by this Contract, waive subrogation, be primary and noncontributing with respect to any other policies providing coverage, and add the other Party as an additional insured (except for worker's compensation coverage) for the full limits of each such policy and such additional insured coverage shall be provided on a blanket basis without restriction for the sole or concurrent negligence of the additional insureds and not being restricted (i) to "ongoing operations," (ii) to coverage for vicarious liability, or (iii) to circumstances in which the named insured is partially negligent. The Parties shall not cancel or modify such insurance coverages without the other's approval, and shall immediately provide notification in writing if such insurance is terminated for any reason.
- (c) Severability. The Parties hereto agree that if any of the provisions of this contract contravene or are held invalid under the laws of the State of Texas, such invalid provision shall not invalidate the entire Contract, and the Contract shall be construed as though not containing that particular provision, with the rights and obligations of the Parties to be construed and in force accordingly.
- (d) Headings. The captions and headings appearing in this Contract are used merely to facilitate reference and will have no bearing upon its interpretation.
- (e) Covenant of Good Faith and Fair Dealings. Riverbend and Member Entity agree to cooperate and to deal with one another fairly and in good faith at all times to effectuate the purposes and intent of this Contract. The Parties also agree to execute and deliver such further legal documents or instruments and to perform such further acts as are reasonably necessary to effectuate the purposes and intent of this Contract.
- (f) Governing Law and Dispute Resolution. This Contract shall be construed in accordance with and governed by the laws of the State of Texas without regard to principles of conflicts of laws. Any disputes between the Parties arising under this Contract may be resolved according to the following dispute resolution procedures, which are not considered to be a condition precedent to seeking any remedies available in law or equity:

- (1) A meeting shall first be held promptly between the Parties within sixty (60) days from the date of delivery of notice pursuant to Sections 15 and subsection (j) of this section to attempt in good faith to informally negotiate a resolution of the dispute. The required attendees to a meeting held under this subsection shall be one (1) Riverbend Board of Directors representative representing Member Entity, the President of the Riverbend Board of Directors, the Riverbend Executive Director/CEO, and the Mayor and City Manager, if applicable, of Member Entity. Such negotiations may include one or both Parties securing independent auditors or consultants.
 - (2) If resolution is not readily achieved by informal negotiations under Subsection (1) of this section, the Parties may agree to select a neutral third party ("NTP") to assist in resolution of the dispute. If used, the NTP shall be a person with expertise in the subject matter of the dispute and in the interpretation of contract documents who is immediately available and acceptable to the Parties. The NTP shall promptly convene a private meeting between representatives of the Parties to hear the Parties' positions and render oral recommendations for resolution of the dispute. The recommendations of the NTP shall not be binding on any Party. By separate written agreement, the Parties may further define the role of the NTP and may expand the NTP to consist of a team of persons possessing the necessary expertise. Use of the NTP is voluntary. No party to this Contract will be deemed to be in breach of this Contract solely because of a refusal to utilize a NTP.
 - (3) At all times during the course of any dispute resolution, the Parties shall continue diligently and without delay to perform the respective services and obligations under this Contract.
 - (4) Each Party shall pay its own costs and expenses, including attorney's fees, incurred during any facet of dispute resolution procedures set forth in this section. The fees and expenses of the NTP shall be divided equally between the Parties.
- (g) Authority. The Parties agree that the Contract is executed and fully performable in Bowie County, Texas. Each of the individuals signing on behalf of Riverbend and Member Entity hereby confirm that he or she has the authority to execute this Contract on behalf of the Party indicated by their signature and have the authority to bind such Party hereto. The Parties have each approved this Contract through respective resolutions of their governing bodies, attached hereto as **Exhibit O**. The Parties' resolutions approving this Contract shall also set forth the individual authorized to sign this Contract on behalf of the Party.
- (h) Assignment; No Third Party Beneficiaries.
- (1) This Contract will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns only. This Contract may not be transferred or assigned by either Party, without the prior written consent of the other Party, which consent will not be unreasonably withheld, delayed, or conditioned.

- (2) Except as otherwise provided herein, nothing in this Contract, express or implied, confers any rights or remedies on any person or entity not a Party hereto other than the successors and assigns of the Parties hereto.
- (i) Entire Agreement. This Contract and the Exhibits attached hereto constitute the entire agreement and understanding between the Parties hereof. No provision of this Contract may be changed, modified, waived or discharged orally, and no change, modification, waiver or amendment of any provision will be effective except by separate written instrument to be executed and approved by the Parties hereto.
- (j) Remedies Upon Default.
- (1) In addition to other remedies available at law or equity, in the event of a monetary default by Member Entity hereunder, including nonpayment on a timely basis of any amount due, that continues for a period of thirty (60) days or more, then Riverbend shall give written notice to Member Entity of such default and request that such default be remedied with all reasonable dispatch. In the event that Member Entity has not cured such default within sixty (60) days after the receipt of such notice, Riverbend may suspend delivery of the Minimum Quantity to Member Entity, and may terminate this Contract and pursue all available remedies against Member Entity in law and equity.
- (2) In the event of any non-monetary default, upon continuance of the default for a period of thirty (60) days or more, then the non-defaulting Party shall give written notice to the defaulting Party specifying the matter with respect to the default and request that the default be remedied. In the event that defaulting Party has not cured such default within sixty (60) days after the receipt of such notice, the non-defaulting Party may pursue all available remedies against Member Entity in law and equity.
- (3) The remedies provided for herein are not exclusive, and all other remedies at law or in equity may be availed of by either Party and shall be cumulative, except as otherwise provided herein.
- (4) To the extent permitted by law, neither Party shall be liable to the other for special, consequential, incidental, punitive, exemplary or indirect damages or lost profits whether arising in agreement, tort, strict liability, or otherwise.
- (k) Waiver. Unless specifically waived in express terms herein, no failure on the part of either Party to this Contract to require the performance by the other Party of any portion of this Contract will in any way affect either Party's right to enforce such provision, nor will any waiver by either Party be taken or held to be a waiver of any other provision. No rights under this Contract may be waived except by separate written agreement executed by both Parties.
- (l) Counterparts. This Contract may be executed in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

- (m) Effective Date. This contract shall become effective upon the last date of execution by the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed as follows:

RIVERBEND WATER RESOURCES DISTRICT

By: _____

Printed Name: Kyle Dooley, P.E.

Title: Executive Director/CEO

Date:

ATTEST:

CITY OF TEXARKANA, TEXAS

By: _____

Printed Name: Shirley Jaster

Title: City Manager

Date:

ATTEST:

Jennifer Evans, TRMC
City Secretary

EXHIBIT A

1969 “Water Supply System Sale-Purchase-Financing Agreement” between Lake Texarkana Water Supply Corporation and Member Entity

WATER SUPPLY SYSTEM
SALE-PURCHASE-FINANCING AGREEMENT

THIS AGREEMENT, made and entered into as of this the 24th day of July, 1969, by and between LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter called "Company"), a nonprofit corporation duly organized under the laws of the State of Texas and operating without profit, with its only office and place of business in Texarkana, Texas, and the CITY OF TEXARKANA, TEXAS (hereinafter called "City"), a municipal corporation of Bowie County, Texas, operating pursuant to the laws of the State of Texas and its Home Rule Charter,

W I T N E S S E T H :

WHEREAS, pursuant to merger under procedures for merger afforded by the "Texas Non-Profit Corporation Act", Company became possessed of all rights, privileges and properties of the former Texarkana Water Supply Corporation and of all its obligations and debts including certain bonds known as "Texarkana Water Supply Corporation First Mortgage Refunding Bonds, Series 1963" and the obligation to continue to serve City with treated water as specified in an "Amended Water Service Agreement" between City and said Texarkana Water Supply Corporation dated July 1, 1963; and

WHEREAS there are now on file in the records of Company written consents of the holders of all its outstanding bonds, being "Texarkana Water Supply Corporation First Mortgage Refunding Bonds, Series 1963", addressed to First Southwest Company, Company's Financial Advisors, acknowledging and consenting to certain arrangements between Company and City whereby their bonds are to be surrendered for purchase by Company, cancelled and retired; and

WHEREAS the aforementioned arrangements contemplate the cancellation of the Deed of Trust securing said bonds which was given by the Texarkana Water Supply Corporation to the American National Bank and Trust Company of Chicago, Trustee, and The Texarkana National Bank, Co-Trustee, thereunder; and

WHEREAS said Trustee and Co-Trustee have evidenced to Company and City their agreement that upon payment and redemption of the aforementioned Series 1963 Bonds in accordance with the agreements of the holders of such bonds and the payment of any other amounts payable by Company under said Deed of Trust, they

will execute and deliver to Company and City proper instruments acknowledging release and satisfaction of said Deed of Trust as amended or supplemented, and the lien thereof, under the provisions of Article Ten thereof; acknowledging cancellation and destruction of all said Series 1963 Bonds with all unmatured interest coupons pertaining thereto; and acknowledging cancellation of deed to the City of Texarkana, Texas, by Texarkana Water Supply Corporation held in escrow by the Trustee under the provisions of Section 7.17 of the Deed of Trust and a deed of like effect held in escrow by the Co-Trustee under the provisions of Section 4.1 of the "Water Supply System Sale and Purchase Contract" contained as a part of an Amendment and Supplement to the Deed of Trust, dated December 28, 1966; and to execute and deliver such other instruments and certifications relating to the transfer and disposition of funds or other matters as are reasonably required in finally closing the trust estate as indicated to be desirable by the interested parties; and

WHEREAS Company and City have agreed that upon execution hereof the "Amended Water Service Agreement", dated as of July 1, 1963, and the "Water Supply System Sale and Purchase Contract" dated as of December 28, 1966, providing the means and methods of paying such bonds, shall both be rescinded and cancelled, the Agreement herein provided to stand in lieu of said former agreements and provide the means and methods of paying this Company's bonds hereinafter referred to; and

WHEREAS the parties hereto understand that this Agreement is to be executed and become effective upon the occurrence of the following events:

(a) Completion of Company's merger with Texarkana Water Supply Corporation;

(b) Sale and delivery of "Lake Texarkana Water Supply Corporation Bonds, Series 1969" in the total principal sum of \$8,400,000, for the purpose of (i) paying off, redeeming and cancelling "Texarkana Water Supply Corporation First Mortgage Refunding Bonds, Series 1963" presently outstanding, and (ii) in combination with a \$3,000,000 grant to be received by Company under contract with the United States of America, Department of Housing and Urban Development, providing amounts required in constructing improvements, extensions, betterments and enlargements to the Water System acquired by Company and all expenses incidental thereto including, without limitation, fees of the Company's engineers, attorneys, financial advisors, accountants and others in connection with System acquisition, for interest during construction, and the preparation, issuance and sale of the Series 1969 Bonds;

(c) Payment and cancellation of all outstanding and unpaid "Texarkana Water Supply Corporation First Mortgage Refunding Bonds, Series 1963";

(d) Release and satisfaction of Deed of Trust dated July 1, 1963 and the Amendment and Supplement thereto dated December 28, 1966 given to secure "Texarkana Water Supply Corporation First Mortgage Refunding Bonds, Series 1963";

(e) Cancellation of deed given by Texarkana Water Supply Corporation to the City of Texarkana, Texas, and held in escrow by the Trustee under Section 7.17 of the Deed of Trust;

(f) Cancellation of deed given by Texarkana Water Supply Corporation to the City of Texarkana, Texas, held in escrow by the Co-Trustee under Section 4.1 of a contract contained in the Amendment and Supplement to the Deed of Trust, being dated December 28, 1966; and

(g) Certification by the President and Secretary-Treasurer of Company that the Grant Agreement dated as of June 29, 1967 between the United States of America, Secretary of Housing and Urban Development, and Company remains in full force and effect;

AND WHEREAS, by virtue of a contract with the United States of America which became effective December 1, 1958, City now possesses storage space in Texarkana Reservoir, and by virtue of a further contract with the United States of America dated April 16, 1968 (which will become effective upon construction of Cooper Reservoir on the Sulphur River by the United States Government and the conversion of flood control space in Texarkana Reservoir to conservation use), City will possess storage space in Texarkana Reservoir at all times adequate to serve the purposes of this contract and provide water to the extent and for the purposes permitted City by the Texas Water Rights Commission as hereinbelow referred to; and

WHEREAS, by virtue of permits to appropriate public waters of the State of Texas, being Permit No. 1563A issued by the former Board of Water Engineers of the State of Texas on March 27, 1957, authorizing the appropriation, diversion and use from Texarkana Reservoir of 60,000 acre-feet of water per annum for municipal and industrial use, and Permit No. 1563b issued by the Texas Water Rights Commission on the 18th day of April, 1968, authorizing the appropriation, diversion and use of an additional 120,000 acre-feet of water per annum, City is possessed of a right to appropriate a total of 180,000 acre-feet of water per annum, being 45,000 acre-feet for municipal use and 135,000 acre-feet for industrial use; and

WHEREAS the parties hereto agree and understand that, upon this Agreement becoming effective, the provisions hereof shall stand in lieu of all prior contracts or agreements between City and the former Texarkana Water Supply Corporation and that this Agreement will be the means whereby financing may be provided for the acquisition and construction of improvements, enlargements and extensions to the present System for providing treatment of water permitted City from Texarkana Reservoir, as aforesated,

and the transportation thereof to such of the Cities of Wake Village, Hooks, New Boston, Maud, DeKalb, Avery and Annona, Texas (who are included in Company's present plans as prepared by its Consulting Engineers) as shall make appropriate contractual arrangements therefor with City, it being further understood that by means of facilities of like nature Company may provide for the treatment and transportation of water from the Texarkana Reservoir supply to other area cities including, without limitation, the Cities of Atlanta, Bloomburg, Douglassville, Linden, Naples, Nash, Leary, Omaha, Queen City and Redwater, Texas, under further contractual arrangements not inconsistent herewith which may be accomplished hereafter in connection with the financing of additional improvements designed for that purpose; and

WHEREAS City is empowered under the provisions of Article 1109j, V.A.T.C.S., to purchase from Company all its water system properties, facilities and improvements and to pay therefor with money derived from revenues of the water system pledged for the purpose or from the levy of City taxes in such amounts as are required to meet principal and interest when due on all outstanding bonds issued by Company in the acquisition of such water system properties, facilities and improvements; and

WHEREAS it is agreed that by execution hereof City is surrendering none of its rights to the ownership and operation of its own present water supply or water distribution system but is expressly asserting a continued right to own, maintain and operate such water supply and distribution system; and

WHEREAS the parties understand that Company will use this Agreement as the means of providing funds for the payment of principal of and interest on the Bonds to be issued by it as aforementioned and the payment of all funds, fees and expenses with relation thereto as specified in the Company's authorizing Resolution; and

WHEREAS by its execution hereof City acknowledges that it has received a copy of the Company's Bond authorizing Resolution, is aware of all its terms and conditions and agrees that it will faithfully perform all obligations imposed by this Agreement which relate to providing funds either from revenues of its Water System or from taxation as required to meet Company's obligations for payment of said Bonds, interest and other funds or expenses pertaining thereto;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereof, the parties hereby agree as follows, to wit:

1. Company obligated to provide extensions, enlargements and improvements to its System.

Upon execution of this Agreement and subject to its provisions, Company, acting as general contractor for City, agrees that it will proceed as promptly as reasonably possible and to the best of its abilities with the prosecution of all required preliminaries and the financing and ultimate construction of the

extensions, enlargements and improvements to the presently existing water treatment and transporting facilities in accordance with the plans and specifications heretofore prepared and provided by its Consulting Engineers, Henningson, Durham & Richardson, Inc., and construction contracts based thereon, all to be approved by Company and City, and that, upon completion of such extensions, enlargements and improvements and the acceptance thereof by Company's Engineers with City approval, it will promptly convey all of same (except leased ground storage reservoir sites in cities to be served) to City. It is provided, however, Company shall be under no obligation to commence or, having commenced, to continue construction of any works intended particularly to serve a municipality for which such construction is planned unless City shall have negotiated and obtained contracts acceptable to Company with each such municipality.

2. City to operate and maintain System.

It is understood and agreed that City shall have and shall continue to have exclusive possession of all System operating properties which are to be owned by City and the sole responsibility for operation and maintenance thereof. In such respect City firmly obligates itself for the upkeep and repair of such facilities and the maintenance thereof in a safe and acceptable condition of operation and repair. City shall carry insurance for the purpose and in the amounts which would ordinarily be carried by a privately owned utility company operating similar properties to the extent necessary and reasonably and economically obtainable. The aforementioned insurance shall provide full protection to Company and to the holders of Company Bonds by assuring and facilitating to the extent feasible and practicable restoration of damaged or destroyed property and to minimize disruption of service therefrom. Notwithstanding any provisions hereof to the contrary, any amounts derived from the proceeds of insurance not required in restoring damaged facilities shall be paid over to the interest and sinking fund for Company Bonds aforementioned. No such amount shall be applied in reducing payments due Company from City hereunder.

3. Rights of Company relating to City properties.

It is understood by City that certain of the facilities to be constructed by Company may be located on lands now owned or hereafter acquired by City. The City agrees that Company, its engineers, contractors and representatives may enter upon such lands and construct improvements thereon as shown on the plans and specifications hereinabove referred to.

4. Sale of System facilities to City.

(a) For and in consideration of the purchase price hereinafter specified Company agrees to sell and convey to City and City agrees to purchase and receive from Company all System operating and other facilities and properties described and referred to in Schedule A hereto attached, comprising all Water System operating facilities of every kind and character acquired by Company through merger with Texarkana Water Supply Corporation, and, further, all properties, real, personal and mixed, constituting extensions, improvements and enlargements to such facilities which are

to be constructed by Company pursuant to this Agreement. Upon this Agreement becoming effective, Company shall execute and deliver to City all such instruments of conveyance as are appropriate or necessary to vest in City good and sufficient record title to all properties received through merger with Texarkana Water Supply Corporation and thereafter the extensions, enlargements and improvements as constructed and improved, as recited in Section 1 above, free and clear of all encumbrances. As full and complete consideration for the purchase price of present and future properties, City shall pay the Company a sum equal to the total principal, interest, paying agents' fees and all other charges which may accrue in connection with paying and discharging the "Lake Texarkana Water Supply Corporation Bonds, Series 1969" (herein sometimes referred to as the "Initial Bonds") and any Completion Bonds hereafter issued by Company pursuant to these agreements to pay for purchasing, constructing or otherwise acquiring the aforementioned extensions, enlargements and improvements to the System and its facilities. The aforementioned purchase price shall be payable in periodic installments as follows: Beginning on the fifteenth day prior to the first day of December, 1971 and thereafter on the fifteenth day prior to each interest or principal payment date for the Company's Bonds as fixed in the proceedings authorizing their issuance, City shall remit to the Paying Agent Bank therein designated a sum equal to the interest and/or principal coming due on such principal or interest payment date together with a sum equal to the fees charged by such Bank for handling such payments. The payment of all interest which shall accrue to and including the first day of June, 1971 will be provided from the proceeds of the sale of the Bonds with the resolution authorizing such Bonds to contain stipulations to this effect.

(b) Company agrees that by its Resolution authorizing the Series 1969 Bonds aforementioned, it will establish a Debt Service Reserve Fund which initially shall be in the sum of \$650,000 comprised of (i) all sums to be transferred from unexpended Interest and Sinking Funds and Special Reserve Funds held by the Trustees under the Deed of Trust securing the "Texarkana Water Supply Corporation First Mortgage Refunding Bonds, Series 1963" hereinbefore referred to, and (ii) such additional amounts out of the proceeds of the sale of the Company's Series 1969 Bonds as may be required to provide said \$650,000 initial Debt Service Reserve Fund.

(c) If at any time any part of the Debt Service Reserve Fund is needed to supplement the Debt Service Fund in order to prevent a default in payment of principal of or interest on the Initial Bonds, City understands it shall, to that extent, be withdrawn from said Fund and forwarded as a part of the payment to be made to the Paying Agent Bank under Section 4(a) above. The amount taken from such Debt Service Reserve Fund for such purpose shall be paid by City into the Debt Service Reserve Fund not less than thirty days prior to the date City taxes are next to be provided for. If said Fund is not fully restored by that time, City shall then provide full restoration by taxation, such taxes to be derived in the manner set forth in Section 5(g) hereof. The Debt Service Reserve Fund shall be continuously maintained in the sum of \$650,000 if that amount is equal to or in excess of the average annual principal and interest requirements of the Initial Bonds, or if \$650,000 is less than the average annual principal and

interest requirements of the Initial Bonds, the Debt Service Reserve Fund shall be supplemented from the earnings from the investment of such Fund until it is equal to not less than the average annual principal and interest requirements of the Initial Bonds. The City further understands that the Debt Service Reserve Fund provided for the Initial Bonds is to be available for not only avoiding a default with regard to said Initial Bonds but shall also be available in order to avoid a default with regard to the Completion Bonds if and as issued and sold. City further understands and agrees that should Completion Bonds be issued, Company will make appropriate arrangements in the Resolution authorizing same providing not only for an increase in payments to be due from City to meet annual requirements of the Completion Bonds, but also increased amounts to provide a Debt Service Reserve Fund to be accumulated and maintained at not less than the average annual principal and interest requirements of all Bonds to be outstanding at the time after giving effect to the issuance of the Completion Bonds; further, that the additional amount to be maintained in the Debt Service Reserve Fund shall be accumulated within not less than five years and one month from the date of the adoption of the Completion Bond Resolution.

5. Further covenants.

The parties hereto further covenant and agree as follows:

(a) Any sums remaining from the proceeds of the sale of Company Bonds not required in the completion of the facilities to be acquired and constructed under the plans and specifications herein referred to shall be placed in the Debt Service Fund provided for such Bonds in the authorizing proceedings or, at Company's discretion, may be placed in and devoted to any other fund provided for security of or in connection with its Bonds in the Resolutions authorizing their issuance.

(b) When Company Bonds and all interest thereon herein referred to have been completely paid and discharged or at such time as the Debt Service Fund and Debt Service Reserve Fund together contain amounts entirely adequate to pay all such Bonds with interest thereon at the next call date or at maturity, City may cease making payments into the Debt Service Fund.

(c) Notwithstanding the conveyance of properties to City and the obligation it herein assumes for their maintenance and operation, City shall include in the charges it shall make for water served through the facilities to itself and others and pay to Company such amounts as are reasonably required to provide Company with the means of paying any administrative expenses which may be incurred by it attributable directly to the execution of this contract and its obligations under the aforementioned Bonds.

(d) Company reserves the right to issue its Completion Bonds and Refunding Bonds, if later indicated to be advisable, secured by this Agreement on a parity with the

Bonds initially to be authorized, without necessity of amendments or supplements to this Agreement. Completion Bonds shall be issued only for the purpose of completing the project as presently planned and substantially in the form and manner hereinabove provided for the initially issued Bonds. Further, they may be issued only in amounts mutually agreeable to the Company and City evidenced by resolutions of their governing bodies. City agrees that should it become necessary to issue Completion Bonds, it will, without the necessity of amending or supplementing this Agreement, increase the payments required hereunder for the Initial Bonds to the full extent necessary to meet all principal, interest and reserve requirements of the Completion Bonds. It is provided further that prior to the issuance of any such Completion Bonds in the manner aforementioned, the Consulting Engineers shall have filed with Company and City a certificate to the effect that additional funds are required to complete the project as planned and stipulating the nature of the facilities to be acquired and constructed which cannot be acquired and constructed within the funds provided by the Initial Bonds. The City recognizes that Company may be called upon in the future to provide water and its treatment and transportation to cities and others in the area who are not to be served through the Improvement Project. It is accordingly provided that in such event provisions for any Company-City financing of the facilities required for that purpose shall be made by separate agreement relating wholly to the additional bonds as obligations separate and distinct from those involved under the terms of this Agreement. Refunding Bonds may be issued to refund all or any part of the Bonds or Completion Bonds at any time outstanding provided they shall not be issued in such manner as would permit their lien on the pledged funds to be superior to that herein provided for the Bonds or otherwise lessen in any manner the security provided for any Bonds outstanding after the refunding. All Completion Bonds and Refunding Bonds shall be on a parity with the Bonds herein authorized and as fully secured by this Agreement as are the Initial Bonds herein referred to.

(e) City shall not sell, lease, or otherwise dispose of or encumber the properties received or to be received from Company, or any part thereof, and will not create or permit to be created any charge or lien on the proceeds of this contract pledged to Company Bonds. City may, however, sell, exchange or otherwise dispose of machinery, fixtures, apparatus or other property, if no longer needed or useful, in connection with the maintenance and operation of the Improved System.

(f) City agrees that Company shall have the right to use the streets, alleys and public ways and places within the City in the construction of the Water System improvements.

(g) City hereby pledges the aforementioned payments to be made by City pursuant to Section 4(a) hereof shall be payable from and secured by a pledge of revenues derived from the sale of water by City through its own distribution

facilities and from the sale of water delivered under contract to others in the area. In this connection and so long as such payments are to be provided from this source, City covenants to fix and maintain rates and collect charges for the facilities and services afforded by the Water System as will be fully sufficient to provide income and revenues at all times sufficient to pay all operation, maintenance, depreciation, replacement and betterment charges; pay any and all other outstanding indebtedness or obligations of said System; and provide all amounts pledged to Company by virtue of this Agreement. In the alternative, the aforementioned payments may be payable from continuing direct ad valorem taxes which City shall levy, assess and collect upon all taxable valuations within its limits at the same time other City taxes are levied, assessed and collected; all such provisions for payment being hereby pledged by the City for the purpose under authority of Article 1109j, R.C.S. of Texas. City agrees that in its ordinance approving this Agreement and authorizing its execution on behalf of City it will make specific provisions for the levy, assessment and collection of the aforementioned taxes each year and at such rate, full allowance being made for delinquencies and costs of collection, as shall be necessary to promptly meet the payments herein pledged to Company in consideration of funds on hand or to be on hand from other sources including those derived from water sales as above set forth. City hereby pledges the employment of these provisions for taxation as the means of making all payments required under this Agreement in each and every year when, for any reason, it shall appear that other available sources will not produce funds entirely adequate for that purpose in the succeeding fiscal year. City's obligation to levy such taxes, if necessary, for the making of such payments as the purchase price of the System facilities herein purchased shall inure to the benefit of the owners and holders of Company's Bonds who shall have, in addition to all the remedies at law and in equity, the right to enforce specific performance of the City's obligation to levy such taxes and to make such payments therefrom.

6. Maintenance of System.

The City covenants that it will operate the System in a businesslike manner, will maintain, preserve and keep the same in good condition, repair and working order, and free of all liens and encumbrances and from time to time shall make all needful repairs, replacements, betterments and improvements so that the operations thereof shall at all times be properly conducted and efficiently maintained.

7. City not to be relieved by force majeure.

No failure of Company to meet any obligation by reason of force majeure shall relieve City from its obligations to make the payments required herein.

8. Consequences of City default.

City understands that in the transfer of properties to it from Company under the provisions of this Agreement relating to the installment purchase thereof Company will retain a vendor's lien; that, therefore, in the event of a default in the performance or observation by City of any of its agreements hereunder, Company may, in its own name or in the name of any holder of its Bonds or all of them, bring such action at law or in equity and by mandamus or for breach of these agreements against the City in pursuit of such remedies as may be provided by law for specific or mandatory enforcement of City's obligations hereunder or for such damages as may be the consequences of any such default. Company agrees that in the event of default or threatened default in the payment of principal of or interest on the Bonds, any court of competent jurisdiction upon petition of the holders of 25% of the principal amount of the then outstanding Bonds shall appoint a receiver with authority to collect and receive all resources pledged to the Bonds under the Agreement, enforce all rights arising from default, if any, by the City of Texarkana, Texas, in making payment under the Agreement, employ and discharge agents and employees of the Company, take charge of the pledged funds on hand and manage the proprietary affairs of the Company without consent or hindrance by the Board. The court may further vest the receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

9. Company acknowledges City contracts with and obligations to others.

Company acknowledges that it has been furnished with copies of water supply contracts between City and other municipalities in its area including, without limitation, the City of Texarkana, Arkansas, and the Cities of Wake Village, Hooks, New Boston, Maud, DeKalb, Avery and Annona, Texas, and understands the obligation of City to such other municipalities including those designated in City's Application No. 2552 granted by the Texas Water Rights Commission. Company and City expressly recognize that City may be called upon in the future to provide water and its treatment and transportation to others than those aforementioned, including the Cities of Atlanta, Bloomburg, Douglassville, Linden, Naples, Nash, Leary, Omaha, Queen City and Redwater, Texas. In such event the additional facilities may be financed by Federal Grants and the issuance of Company Bonds or other obligations under additional agreements to be executed by City and Company as the circumstances then indicate and permit. In such event Company, with City's assistance, will make application for Federal Grants and undertake plans for financing the required facilities but nothing herein shall obligate City to make any payments to Company other than those appearing under the terms hereof. No money paid to or received by the Paying Agent for or on behalf of Company under this Agreement shall be obligated to pay any Company Bonds or indebtedness except the Initial Bonds, Completion Bonds and Refunding Bonds herein specifically provided for and no payments received by Company under any agreements made separate and apart from the within Agreement shall be pledged to said Initial Bonds, Completion Bonds or Refunding Bonds.

10. Contracting municipalities to share in ownership of facilities.

Company understands that in its contracts with other municipalities City has agreed that upon final discharge of all Company Bonds or other indebtedness incurred in connection with providing the facilities, and upon their request, City shall convey to each such municipality a pro rata share of an undivided interest in the ownership of such facilities, based upon the contributions made by each in the discharge of said Bonds and indebtedness during the period such remained outstanding and undischarged; also upon this same basis City has agreed to pay each contributing municipality its pro rata share of any money received from the sale of System facilities should such sale under some unforeseen circumstance ever occur.

11. Accounting reports.

The City covenants and agrees that within 90 days following the close of each fiscal year it will cause an audit of its books, records and accounts pertaining to the operation of its Water System facilities required pursuant to this Agreement to be made by an independent firm of certified public accountants or licensed public accountants. Each such audit, in addition to whatever other matters may be thought proper by said accountants, shall particularly include the following:

(a) Detailed statement of all payments made on account of Company's Bonds pursuant to this Agreement or any amendments or supplements thereto for the preceding year.

(b) A balance sheet as of the end of each fiscal year.

(c) The accountants' comments regarding the manner in which the City has carried out the requirements of this Agreement and their recommendation for any change or improvements in the operational records and accounts of the City relating to its Water System facilities.

(d) A list of the insurance policies in force at the end of each fiscal year setting out as to each policy the amount thereof, the risk covered, the name of the insurer and the policy's expiration date.

(e) The number of metered retail customers of the City served by City's distribution system and that of the City of Texarkana, Arkansas.

(f) The number of municipal wholesale customers of the System and the amount received by the City's Water Department from each.

(g) The number of wholesale industrial customers served by City and the amount of income received by the City's Water Department from each.

Copies of the aforesaid annual audit shall be furnished without cost to the Company, the original purchasers of the Company's Bonds and to any subsequent holders of the Bonds upon request. All bondholders shall have the right to discuss with the accountants making the annual audit the contents thereof and to ask for such additional information as they may reasonably require. The annual report shall be made available by the City for inspection during regular business hours by the bondholders, their agents and representatives, and the agents and representatives of the Company.

12. Sales, use or other taxes.

In the event any sales or use tax, or tax of similar nature shall be imposed upon the gathering, taking, sale, use or consumption of the water to be delivered through the facilities herein referred to, City represents that it shall be borne pro rata by the respective municipalities receiving such water under contract with it. City agrees to hold Company harmless from any liability for such taxes and also from ad valorem taxes assumed by or levied against Company.

13. City recognition of obligations under Company Bond Resolution and Bonds.

The terms and specifications of the Bonds to be issued initially are prescribed in a Bond Resolution adopted by the Company's Board of Directors, receipt of copy of which City hereby acknowledges. Approval and execution of this Agreement by the proper officers of City pursuant to authority of an ordinance of its City Council shall signify not only acceptance and final approval of this Agreement but also complete acceptance, awareness and final approval of the terms and conditions of said Bond Resolution and the Bonds therein authorized. By its acceptance hereof City also acknowledges that the covenants of the Bond Resolution will constitute contractual arrangements between Company and the purchasers of the Bonds. City agrees to faithfully perform its obligations under this Agreement in such manner as will permit Company to fully perform all its obligations under the Bond Resolution and that Company, the purchasers of the Bonds and all others concerned in any manner with their issuance and the security of this Agreement which supports them may rely upon certified copy of the City Council's ordinance authorizing approval and execution of this Agreement as conclusive evidence of City's approval and acceptance thereof and the terms and conditions of said Bond Resolution and the Bonds therein authorized.

14. Agreement effective.

The parties hereto understand that this Agreement shall become effective only upon performance of the conditions precedent listed in the preamble hereof, but that prior thereto their governing bodies shall officially approve this Agreement and authorize their duly constituted officers to execute same when satisfied that all such conditions precedent have been performed. By their execution hereof the parties shall be deemed to have acknowledged conclusively the satisfactory performance of all conditions precedent; that this Agreement shall stand in lieu of those

hereinafter mentioned between City and the former Texarkana Water Supply Corporation dated as of July 1, 1963 and December 28, 1966 respectively; and that those agreements are rescinded and cancelled.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in several counterparts by their duly authorized officials with their respective seals affixed, all as of the 24th day of July, 1969.

LAKE TEXARKANA WATER SUPPLY CORPORATION

By Bernard A. Linn
President, Board of Directors

ATTEST:

Sam D. Linn
Secretary-Treasurer, Board of Directors

(Seal)

CITY OF TEXARKANA, TEXAS

By L. M. Linn
City Manager

ATTEST:

Helen B. Tolbert
City Secretary

(Seal)

ITEM I

Pump Station Site

That certain easement acquired by instrument of assignment from the City of Texarkana, Texas, demising the following described real estate situated in Bowie County, Texas, to-wit:

Point of beginning bears south 66 degrees west 613 feet from the northeast corner of M. and P. R. R. Co. original Survey No. Ab. 422, thence, south 350 feet to the southeast corner; thence, west 400 feet to the southwest corner; thence, north 780 feet to the northwest corner; thence, east 400 feet to the northeast corner; thence, south 430 feet to point of beginning, said point of beginning being on the east line of said pump station site; said site being rectangular in shape and comprising 7.16 acres of land, together with all improvements thereon and hereafter to be placed thereon.

ITEM II

Supply Line Right-of-Way

Those certain easements, hereinafter more fully described constituting the Company's right-of-way for its water supply line from the Pump Station Site described in ITEM I to the Water Treatment Plant Site described in ITEM III, said right-of-way being situated in Bowie County, Texas, and being described as follows, to-wit:

Easements, usually 30 feet in width, the center line of such easements being described as follows:

Beginning at a point which bears South 66 degrees West 833 feet from the northeast corner of M. and P. R. R. Co. Original Survey No. Ab. 422; thence

N 00° 18' W,	228.1 feet; thence
N 22° 30' E,	4,373.9 feet; thence
N 57° 05' E,	3,670.9 feet; thence
N 43° 25' E,	6,421.3 feet; thence
N 28° 28' E,	545.4 feet; thence
N 44° 05' E,	5,219.5 feet; thence
N 69° 19' E,	7,011.4 feet; thence
N 58° 48' E,	118.9 feet; thence
N 48° 20' E,	2,032.2 feet; thence
N 19° 12' E,	271.9 feet; thence
N 41° 14' E,	6,087.9 feet; thence
N 00° 06' W,	4,884.0 feet; thence
N 14° 36' E,	2,171.5 feet; thence
N 88° 40' E,	2,782.9 feet; thence
S 89° 52' E,	745.1 feet; thence
N 3° 03' W,	798.3 feet; thence
N 8° 48' E,	486.8 feet; to a point 50 feet

north of New Boston Rd., said point being within the water treatment plant site.

ITEM III

Water Treatment Site

The following described real estate located in the Eli Mccres H.R. Survey, Bowie County, Texas, and being part of a certain tract of land leased by the Company from the City of Texarkana, Texas, by lease dated the 29th day of June, 1957, and filed for record in the Deed Records of Bowie County, Texas, on the 1st day of July, 1957, and more particularly described as follows, to-wit:

From a point on the north property line of New Boston Road, also referred to as U. S. Highway 82 in Texarkana, Bowie County, Texas, said point being 760 feet, more or less, east of the east line of Robison Road, and said point being the southeast corner of the Akin School property, bearing S. 81 degrees 01 minute E. along the north line of New Boston Road, a distance of 776.0 feet to the point of beginning, same point of beginning being the southeast corner of said Tract No. 1;

THENCE N. 81 degrees 01 minute W. 207.15 feet;

THENCE N. 11 degrees 01 minute W. 160.0 feet;

THENCE S. 78 degrees 59 minutes W. 60.0 feet;

THENCE S. 11 degrees 01 minute E. 138.15 feet to a point on the north line of New Boston Road, said point being N. 81 degrees 01 minute W. 271.00 feet from the point of beginning;

THENCE N. 81 degrees 01 minute W. 385.0 feet, along the north line of New Boston Road;

THENCE N. 08 degrees 59 minutes E. 123.0 feet;

THENCE N. 81 degrees 01 minute W. 139.45 feet to the east line of the Akin School property;

THENCE N. 403.47 feet, to the northwest corner of said Tract No. 1;

THENCE S. 81 degrees 01 minute E. 858.46 feet to the northeast corner of said Tract No. 1;

THENCE S. 08 degrees 59 minutes W. 521.52 feet to the southeast corner of Tract No. 1 and the point of beginning. Said Tract No. 1 containing 9.21 acres, more or less.

ITEM IV

High Service Main Right-of-Way

That certain easement from the City of Texarkana, Texas, to the Company dated the 29th day of June, 1957, and filed for record in the Deed Records of Bowie County, Texas, on July 1, 1957, constituting the Company's right-of-way for its high service main, said right-of-way being situated in the City of Texarkana, Bowie County, Texas, as follows, to-wit:

BEGINNING at the filter plant on the North side of New Boston Road at the Texas Pump Station;

THENCE South across the New Boston Road;

THENCE in a westerly direction along the South side of New Boston Road to Robison Road;

Another line tying on to the above line on the South side of New Boston Road, South of the filter plant;

THENCE in an easterly direction along the South side of the New Boston Road across Cowhorn Creek;

THENCE in an easterly direction along the Creek to a point opposite West 18th Street;

THENCE in an easterly direction to the western terminus of West 18th Street;

THENCE along West 18th Street to Waterall Street;

THENCE South on Waterall Street to West 15th Street;

THENCE in an easterly direction along West 15th Street to the Kansas City Southern yards;

THENCE in a meandering easterly direction across the yards, and on across Swampoodle Creek to Elm Street;

THENCE in a southerly direction along Elm Street to West 7th Street.

Another line beginning at the intersection of West 11th Street and Elm Street;

THENCE in an easterly direction along West 11th Street to Hazel Street;

THENCE in a southerly direction along Hazel Street to the intersection of East 9th Street in the City of Texarkana, Arkansas, and State Line Avenue.

ITEM V

Without in any way limiting anything hereinbefore described, all and singular the works, plants, buildings, structures, now placed in or on any of the real estate described or above referred to, with the fixtures, hereditaments, tenements and appurtenances thereunto appertaining and belonging, together with the standpipes, reservoirs, tanks, feeders, pumps, boilers, engines, hydrants, meters, valves, services, mains, pipes, pipelines, substations, instruments, apparatus, appliances, machinery, facilities and all other property used or provided for use in the repair, maintenance and operation thereof.

IT IS THE PURPOSE of Lake Texarkana Water Supply Corporation that the properties described or otherwise referred to herein shall be all those properties constituting the entire Water Supply System and all machinery, tools and appurtenances which were previously possessed by Texarkana Water Supply Corporation and acquired by Lake Texarkana Water Supply Corporation through merger.

EXHIBIT B

**1969 water supply contracts between Member Entity
and the “Texas contracting cities”**

WATER SUPPLY CONTRACT

THE STATE OF TEXAS }
COUNTY OF BOWIE }

THIS CONTRACT, made and entered into this the 24th day of June, 1969, between the CITY OF TEXARKANA, TEXAS (hereinafter called "TEXARKANA"), a municipal corporation in Bowie County, Texas, acting under the laws of the State of Texas, and the CITY OF ANNONA, TEXAS (hereinafter called "ANNONA"), a municipal corporation in Red River County, Texas, acting under the laws of the State of Texas,

W I T N E S S E T H :

WHEREAS, under arrangements with the United States Government TEXARKANA has been allowed storage space in Texarkana Reservoir in a manner which provides it with not to exceed 25,000 acre-feet of water per annum and which TEXARKANA is authorized to divert and use for municipal purposes under its Permit No. 1563a issued by the Board of Water Engineers of the State of Texas; and

WHEREAS, it has been determined that such water supply is sufficient to meet the municipal requirements of ANNONA and other area cities throughout the reasonably foreseeable future; and

WHEREAS, within the limits of the amounts which now are or which hereafter may be available to it for municipal purposes, TEXARKANA has agreed to supply the reasonable municipal requirements of such cities; and

WHEREAS, TEXARKANA has obtained from the Texas Water Rights Commission and now possesses Permit No. 1563b, by virtue of which it is authorized to divert and use for municipal purposes

an additional 20,000 acre-feet of water per annum (a total of 45,000 acre-feet) and for which, by contract with the United States Government and contingent upon the construction of Cooper Reservoir on the Sulphur River, TEXARKANA will possess storage space in Texarkana Reservoir, thus further insuring an adequate supply of water for all such cities; and

WHEREAS, ANNONA desires to obtain a reliable supply of surface water for its municipal requirements such as that which may be made available to it under arrangements hereinafter set forth; and

WHEREAS, TEXARKANA expects to enter into a Water Supply System Sale-Purchase-Financing Agreement (hereinafter referred to as "Water System Agreement") with LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter referred to as the "COMPANY") by the terms of which COMPANY will construct certain improvements, extensions and betterments to its present water treatment and transportation facilities (hereinafter referred to collectively as "COMPANY facilities"), which will provide the means of treating and transporting water to ANNONA from the Lake Texarkana supply, TEXARKANA to take possession of and maintain and operate all COMPANY facilities upon completion of the aforementioned improvements, extensions and betterments; and

WHEREAS, by the terms of said Water System Agreement COMPANY will issue and sell its bonds in a principal sum adequate to (a) discharge any COMPANY indebtedness, including bonds previously issued, for water treatment and transporting facilities heretofore constructed if, in the opinion of its financial consultants, it is necessary to do so in order to more advantageously finance anticipated improvements to such facilities; and (b) as supplemented by a \$3,000,000 grant contracted to COMPANY by the

United States of America, Secretary of Housing and Urban Development, provide sums required to construct the aforementioned improvements now anticipated for delivery of treated water to area cities including ANNONA ; and

WHEREAS, ANNONA understands that COMPANY bonds issued in financing COMPANY facilities will be payable from revenues received by COMPANY from TEXARKANA pursuant to said Water System Agreement between said COMPANY and TEXARKANA; further that certain of the amounts pledged by TEXARKANA to meet its said obligations to COMPANY are to be derived from this Water Supply Contract between ANNONA and TEXARKANA, thus constituting a basis for COMPANY credit in financing COMPANY facilities including those necessary in providing the means of treating and transporting water to ANNONA under this contract; and

WHEREAS, both ANNONA and TEXARKANA, acting through their duly constituted governing bodies, had mutually agreed upon the terms and conditions of this contract;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings herein set forth, the parties hereto agree and contract as follows:

SECTION 1: Quantity of Water - Water Charges.

(a) Upon the effective date of this contract TEXARKANA shall proceed as promptly as possible in performing its obligations under its Water System Agreement with COMPANY in order that COMPANY may construct the improvements, extensions and betterments to its present facilities which will offer ANNONA the means of receiving water under this contract. Upon completion and acceptance of such facilities TEXARKANA will make available to

ANNONA at the point of delivery hereinafter specified treated water in an amount not to exceed 22 million gallons

per year to be delivered at the rate of not to exceed .06 million gallons per day. TEXARKANA represents that the COMPANY constructed system capacity will permit the delivery aforementioned. Out of the total amount of water to be made available to ANNONA it shall be entitled to take and receive, within the maximum daily rate of delivery above specified, an amount not to exceed 11 million gallons per year, for which ANNONA agrees to make the minimum monthly payments hereinafter provided. For all amounts which it shall take within the maximum amount available for it but in excess of that to which it shall be entitled for the minimum monthly payments, ANNONA agrees to pay such rates or charges reasonably determined by TEXARKANA as those required to provide all costs incurred in the delivery of such water. TEXARKANA agrees to undertake to supply ANNONA water over and above the 22 million gallons per year first above mentioned as available to it under this agreement should the need arise and in that event and if such water cannot be delivered within the then existing system capacity, arrangements shall be accomplished by modification of the terms of this agreement as provided in Section 6 hereof. For purposes of arriving at the computations relating to price determinations TEXARKANA agrees there shall be made available for the use of itself and Texarkana, Arkansas, jointly treated water in an amount not to exceed 6,334.2 million gallons per year to be delivered at the rate of not to exceed 17.34 million gallons per day and that within said daily rate and out of said total annual availability it shall be entitled to take for their joint use an amount not to exceed 3,167.1 million gallons per year for minimum monthly payments arrived at in the same manner as

herein provided for ANNONA'S minimum monthly payments and as will be provided for in all contracts with other cities. The provisions hereof relating to taking and paying for water which may be received over and above that allowed for the minimum monthly payments shall be fully applicable to TEXARKANA. ANNONA agrees that as consideration for TEXARKANA'S undertakings, and regardless of the actual quantity of water delivered, during the period that COMPANY'S bonds issued to provide and construct COMPANY facilities or any interest on such bonds are outstanding and unpaid, it will make "minimum monthly payments" to TEXARKANA adequate to discharge its pro rata part of the following items:

(1) All amounts required for amortization of COMPANY facilities, including all bonds and additional bonds required to provide and complete the facilities as planned issued by COMPANY pursuant to the terms and conditions of its bond authorizing resolutions and including, without limitation, the payment of all principal and interest, fees and charges of paying agents, and for the maintenance of any reserve, contingency or other funds specified by COMPANY'S resolutions relating to its bonds issued for providing and constructing the COMPANY facilities. The COMPANY resolutions aforementioned, their provisions and the terms and conditions of the Water System Agreement between TEXARKANA and COMPANY are fully recognized by ANNONA in connection with its obligations to TEXARKANA hereunder. It is expressly understood, however, that after COMPANY bonds and all interest thereon

have been completely paid and discharged, the provisions of this item (1) shall no longer apply in the computation of minimum monthly payments.

(2) All amounts for which TEXARKANA may be obligated under its water storage contract with the United States Government after deducting therefrom such sums as are derived for this purpose under contracts between TEXARKANA and industrial users.

(3) All amounts reasonably required by TEXARKANA for the maintenance, operation and administration of all those properties and facilities which are received by it under contract with COMPANY. *In computing the actual operating and maintenance costs of the facilities to be paid by TEXARKANA there shall be deducted any costs included therein for operating and maintaining facilities which may be provided for the delivery of industrial water out of that permitted for industrial purposes under TEXARKANA'S water permit. It is understood that at this time none of the facilities herein referred to are provided for the delivery of untreated or industrial water, but it is the intent of the parties that should the facilities be used for that purpose in the future, the charges made to the industry shall include the pro rata part of the operating and maintenance expense of the facilities in the same manner as the pro rata costs of maintaining and operating the facilities are computed for ANNONA. In order to determine the actual costs of operating and maintaining the facilities for the purpose of computing

the amount to be paid by ANNONA, TEXARKANA agrees that it will keep detailed and accurate accounts showing all direct expenses of operation and maintenance including labor and materials chargeable to the source of supply, power and pumping, purification and transmission. In addition, indirect expenses such as insurance, administration and supervision, transportation clearing account, general administrative expenses including labor and supplies, telephone and telegraph expense, rents, and all other overhead expenses shall be accounted for and allocated to operation and maintenance of the facilities. Such allocation shall be made by TEXARKANA based on a detailed study which the City shall cause to be made by an independent accountant. All figures and data used in the making of such computation shall be made available for the information of ANNONA at any reasonable time.

(4) All amounts reasonably required to pay COMPANY administration expenses attributable directly to its activities under the Water System Agreement between COMPANY and TEXARKANA.

(b) ANNONA agrees to pay in monthly installments all requirements aforementioned and to promptly pay as billed all monthly sums required to meet its pro rata part of the items set forth in subparagraph (a)(1) of this Section 1 relating to COMPANY bond requirements regardless of whether there are any other charges then due.

(c) Operation of COMPANY facilities shall conform to a fiscal or budget year beginning October 1st of each year and ending September 30th of the following year.

(d) On or prior to the 15th day of the second month preceding that in which COMPANY'S consulting engineers shall indicate that water may be made available for ANNONA'S use, the governing officials of TEXARKANA shall make a determination of all amounts anticipated as being required by TEXARKANA for items (1), (2), (3) and (4) of paragraph (a), such amounts to form the basis of a minimum monthly payment which shall be independent of the amount of water actually delivered to ANNONA by TEXARKANA.

(e) The determination called for in paragraph (d) above shall be made no later than the 15th day of May of the year next succeeding that in which water may be made available to ANNONA and shall relate not only to the requirements of the balance of the fiscal year then in progress, if any, but also to the requirements of the next succeeding fiscal year.

(f) Determinations similar to that described in paragraph (d) shall be made annually thereafter on or prior to the 10th day of May each year with respect to the succeeding fiscal year.

(g) Based upon the aforementioned determinations and within ten (10) days thereafter, the governing officials of the City of TEXARKANA shall cause to be prepared and its City Council shall preliminarily approve a budget reflecting all items which shall make up the total requirements attributable to COMPANY facilities and which must be provided for in the ensuing fiscal year or, if appropriate, the balance of the then current fiscal

year. As regards water taken by ANNONA over and above that to which it shall be entitled for the minimum monthly payment, it is agreed that in the preparation of each annual budget TEXARKANA shall make and present calculations relating to the charges estimated to be required for delivery of such additional water in the succeeding fiscal year, in like manner as herein stated with respect to annual budget procedures and the determination of minimum monthly payments. The Board of Directors of COMPANY shall be furnished a copy of such budget within seven (7) days after its preliminary approval by the TEXARKANA City Council and COMPANY may indicate exceptions or suggestions, if any, within ten (10) days after receipt. Due consideration shall be given any exception or suggestion made by COMPANY'S Board of Directors and shall be incorporated insofar as consistent with TEXARKANA'S rights and obligations under its Water System Agreement with COMPANY, its rights and obligations under its contract with all contracting cities including ANNONA, and consistent with its Lake Texarkana storage space contract with the United States Government. If for any reason it becomes apparent that the amount of any minimum or other payment made or to be made to TEXARKANA by ANNONA under an annual budget previously adopted is either insufficient or excessive, the parties agree that such shall be taken into consideration in the preparation of the succeeding year's budget and the amounts therein provided for charge to ANNONA adjusted up or down accordingly. Reasons for any increase or decrease in such charges shall be set forth by TEXARKANA in the succeeding year's budget. Among other features the budget aforementioned shall contain schedules of the minimum monthly payments to be made by each city contracting

with TEXARKANA to TEXARKANA each month during the budget year. So long as COMPANY bonds issued to provide COMPANY facilities herein referred to or any interest thereon remain outstanding and unpaid, and beginning with payments which shall become due on the 1st day of the sixth month next preceding the first month in which COMPANY shall be obligated to pay interest, and on the 1st day of each month thereafter, the scheduled minimum monthly payments shall contain not less than an amount equal to one-sixth (1/6) of the next succeeding installment of interest, and, in addition, beginning on the 1st day of the twelfth month next preceding the first month in which COMPANY shall be obligated to pay principal, and on the 1st day of each month thereafter, not less than one-twelfth (1/12) of the next succeeding installment of principal of all COMPANY bonds. Further, paying agent and other bond service charges shall be included in the scheduled monthly payments in such manner as will permit TEXARKANA to forward COMPANY all amounts required for satisfying and discharging COMPANY'S bond obligations in due and proper time.

(h) The budgeted amounts for which each contracting city, including ANNONA and TEXARKANA, shall be obligated as minimum monthly payments shall be computed upon the percentage that the amount of water to be made available by TEXARKANA to each such contracting city for its minimum monthly payments shall bear to the amount of water to be made available by TEXARKANA to all contracting cities, including ANNONA and TEXARKANA, for minimum monthly payments during the budget year.

(i) It is agreed and understood that TEXARKANA will prepare and furnish ANNONA monthly bills or statements for all amounts reflected as being required under the provisions

of TEXARKANA'S then current budget arrangements (supplemented if necessary) so that same shall be received by ANNONA on or prior to the 1st day of the month in which the bill shall be payable. Bills shall be payable no later than the 15th day of the month in which payable and ANNONA agrees it will promptly remit to TEXARKANA all amounts as billed so as to reach it on or before that day. The first billing shall be made so as to become payable on the 15th day of the second month next succeeding the first month TEXARKANA City Council determinations are made in accordance with the provisions hereof.

(j) Should ANNONA fail to make any payments at the times herein specified, interest on such amounts shall accrue at the rate of six per centum (6%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, TEXARKANA may, at its option, discontinue delivery of the water to ANNONA until the amount due TEXARKANA is paid in full with interest as herein specified. Such discontinuance shall not relieve ANNONA of its obligation to make the payments required by this Section.

SECTION 2: Water Quality.

Water delivered under this contract shall be of the same quality as that distributed by TEXARKANA to its own consumers and customers. Furthermore, TEXARKANA agrees to operate the treatment and transmission facilities in such manner as will assure the approval of the Health Department of the State of Texas.

SECTION 3: Point of Delivery.

The point of delivery of the aforementioned water to ANNONA shall be at a ground storage tank situated on a site in the City of Annona, Texas, said site being all of lots 2,3,4,5, 6,7,8,9, and 10, Block 4, I. D. Lawson Survey, City of Annona, Red River County, Texas.

SECTION 4: Water Measurement.

(a) Pursuant to its contract with TEXARKANA, COMPANY shall furnish and install at said point of delivery a master meter of standard type for measuring properly the quantity of water delivered ANNONA under this contract, such to be operated and maintained by and at the expense of TEXARKANA. Both TEXARKANA and ANNONA shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by employees or agents of TEXARKANA. TEXARKANA shall keep a true record of all meter readings as transcribed from reports of its employees or agents with respect thereto. TEXARKANA shall give ANNONA such information as it may request from TEXARKANA'S journals or record books or permit ANNONA and its agents to have access to same during business hours.

(b) TEXARKANA shall calibrate (or arrange for calibration of) its metering equipment as often as it considers necessary and at such time as ANNONA may show reasonable evidence of error. If, upon any test, the percentage of any inaccuracy thereof is found to be in excess of 2%, registration thereof shall be corrected for a period extending back to the time such inaccuracy began, if such time is ascertainable, and

if not, then for a period extending back one-half of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. In the event

ANNONA has provided no check meter with reference thereto and if for any reason any master meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meter is out of service or out of repair shall be agreed upon by the parties hereto, by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculations, or by estimating the quantity of water by the deliveries made during preceding periods under similar conditions when the meter was registering accurately.

SECTION 5: Contract Term - ANNONA'S Rights at End of Term.

This contract and the obligation of ANNONA to promptly make all prescribed monthly payments shall continue for the period that any of COMPANY'S bonds supported by said payments and issued to finance COMPANY facilities are outstanding and unpaid. At the end of such term, and when all such bonds and interest thereon have been paid or discharged, or when firm banking arrangements have been established to that end, TEXARKANA agrees ANNONA shall have the right to an extension of the term of this contract beyond such initial period under such arrangements as shall be agreed upon between TEXARKANA and ANNONA at the time, taking into consideration any change in quantity desired by ANNONA, the availability thereof and the costs involved in making deliveries to ANNONA. Determinations of charges shall then be made as herein provided for the original

United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 8: Sales or Use Taxes.

In the event any sales or use taxes, or taxes of any similar nature, are hereafter imposed upon the gathering, taking, sale, use or consumption of the water received by ANNONA under this contract, the amount of such taxes shall be borne by ANNONA, in addition to all other charges, and whenever TEXARKANA shall be required to pay, collect, or remit any such taxes on water received by ANNONA, then ANNONA shall promptly reimburse TEXARKANA therefor.

SECTION 9: Unit of Measurement.

The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

SECTION 10: Title to Water.

Title to all water supplied under this agreement shall remain in TEXARKANA to the point of delivery, and upon passing through the meter installed at that point, title to the water shall pass to ANNONA. Each party hereto agrees to save and hold the other harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, delivery and disposal of said water while title remains in such party.

SECTION 11: Easements.

ANNONA agrees that TEXARKANA may have and assign to COMPANY such easements over any easements, right of way or property held by ANNONA so that the COMPANY

term except that the COMPANY bond requirements shall not be involved as a factor.

SECTION 6: Modification of Provisions.

This contract may be changed and modified only with the consent of the governing bodies of both TEXARKANA and ANNONA . Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by ANNONA under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any of the provisions of the resolutions authorizing the issuance of COMPANY'S bonds or any indentures securing such bonds. If for any reason

ANNONA may desire the construction of any additional facilities over and above those now contemplated and provided same are within the legal and economic capabilities of TEXARKANA, provision therefor shall be made by means of a supplement or amendment hereto, the terms of which are to be negotiated between the parties. Should TEXARKANA desire to construct any such additional facilities, either for the purpose of meeting its obligations to ANNONA , or for other reasons, TEXARKANA shall not proceed with any work on such facilities, other than preliminary planning, without following the procedures described in this Section 6.

SECTION 7: Regulatory Provisions.

This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the

facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 12: Nature of ANNONA'S Obligation -
Not Payable by Taxation.

(a) The payments required to be made by ANNONA under the terms of Section 1 hereof shall be due and payable as therein specified in any and all events and regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the construction program and regardless of whether the facilities shall have been wholly or partially destroyed or damaged, and regardless of whether TEXARKANA shall have tendered water to ANNONA. The agreements of ANNONA to make the payments required are separate and independent covenants and ANNONA shall have no right of set-off, recoupment or counterclaim. The foregoing provisions of this paragraph, however, shall not apply (1) to any payments under Section 1 in respect of any period during which ANNONA shall not be tendered any water by the wrongful affirmative act of TEXARKANA; (2) to any payments in respect of any period during which TEXARKANA shall refuse to continue arrangements under its contract with COMPANY for completion of the facilities through its wrongful affirmative act. TEXARKANA shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Any obligations assumed or imposed on ANNONA hereunder shall never be construed as a debt of ANNONA of any kind as to require it under the Constitution and laws of this State to levy and collect taxes to discharge such obligation, it being expressly understood by the parties hereto that the funds required for all payments due by ANNONA are to

be collected from the sources referred to in the next succeeding Section 13. ANNONA agrees to operate and maintain its water system in such manner and to make such charges for the water and services supplied thereby to all consumers so that the revenues derived therefrom will always be adequate to enable ANNONA to promptly make all payments due TEXARKANA under the provisions of this agreement. All payments so made shall be deemed expenses of maintaining and operating the ANNONA water system.

(b) It is understood that at this time TEXARKANA is not in position to guarantee the construction of the improvements, extensions and betterments to COMPANY facilities or the date on which water may first be made available to ANNONA. TEXARKANA agrees, however, to make diligent efforts to provide the additional facilities through its contract with COMPANY, but is not to be liable to ANNONA for any damages occasioned by delay unless such is attributable to the fault of TEXARKANA. It is further understood that any obligation on the part of TEXARKANA is conditioned upon the successful sale of COMPANY bonds in the amounts required to provide the improvements, extensions and betterments to its present facilities in order to make possible delivery of water to ANNONA under this contract.

SECTION 13: Priority of TEXARKANA'S Charges - ANNONA to Fix Adequate Rates.

(a) ANNONA represents and covenants that all payments to be made hereunder shall constitute "operating expenses" of its Waterworks System with the effect that the obligation to make such payments from its Waterworks revenues under this contract shall be an operating expense as defined by Article 1113 of the Revised Civil Statutes of Texas, 1925, as amended.

(b) ANNONA further agrees to fix and collect such rates and charges for water services to its customers as will, in combination with any other funds legally available and reasonably assured for the purpose, make possible the prompt payment of all expenses of operating and maintaining its Water System and all payments contracted hereunder.

SECTION 14: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this agreement, other than the obligation of ANNONA to make the payments required under the terms of Section 1 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure", shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of public enemy, orders or actions of any kind of the Government of the United States or of the State of Texas, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, or canals or other structures or machinery, partial or entire failure of water supply and inability on the

part of TEXARKANA to deliver water hereunder, or of ANNONA to receive water, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of TEXARKANA to meet any obligation by reason of force majeure shall relieve ANNONA from its obligations to make the payments required under the terms of Section 1 hereof.

(b) No damage shall be recoverable from TEXARKANA by reason of the suspension of delivery of water due to any of the causes above mentioned. If TEXARKANA'S ability to deliver water to ANNONA is affected by any of such causes, TEXARKANA shall promptly notify ANNONA in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption. If the supply of water available to TEXARKANA is insufficient for any reason to serve the requirements of all of its customers, then the available amount of water will be allocated by TEXARKANA so as to meet the requirements of its various customers in accordance with their respective needs.

(c) It is expressly recognized by ANNONA that TEXARKANA may be compelled to make necessary alterations, repairs or extensions of new or additional water transporting facilities from time to time during the life of this contract and any suspension of delivery to ANNONA due to such operation shall

not be cause for claim of damage on part of TEXARKANA provided all reasonable effort is used by TEXARKANA to provide ANNONA with water in accordance with this contract. In such case TEXARKANA shall give ANNONA as much advance notice as may be practicable of the suspension of delivery and of the estimated duration thereof.

SECTION 15: Notices.

Any notice, request, demand, statement, or bill provided for in this agreement shall be in writing and shall be considered to have been duly delivered when sent by registered mail, addressed to the City Secretary, City Hall, Texarkana, Texas, or to the City Secretary, City Hall, Annona, Texas, as the case may be, except that routine communications may be sent by ordinary mail and except that either party may, by the filing of an appropriate written notice to the other, specify some other individual to whom communications thereafter are to be addressed.

SECTION 16: Severability.

The parties hereto agree that if any of the provisions of this contract contravene or be held invalid under the laws of this State, same shall not invalidate the whole agreement but it shall be construed as though not containing that particular provision and the rights and obligations of the parties shall be construed and in force accordingly.

SECTION 17: Pledge.

It is recognized that the proceeds of this contract are to be pledged by TEXARKANA under its Water System Agreement with COMPANY for the payment of COMPANY bonds and in such respect

ANNONA agrees that COMPANY may enforce any obligations owed

it by TEXARKANA should TEXARKANA for any reason fail to pursue appropriate remedies against ANNONA for the enforcement of the payments which are to be derived for the payment of COMPANY indebtedness.

SECTION 18: Services by ANNONA Outside Its Limits.

The parties agree that rates charged by ANNONA for water supplied areas and customers outside its corporate limits may be greater than those charged for water supplied within its limits. ANNONA, however, agrees to submit all such rate schedules to TEXARKANA and COMPANY.

SECTION 19: Acknowledgment and Acceptance by ANNONA of TEXARKANA-COMPANY Water System Agreement.

ANNONA acknowledges that it has been furnished a copy of the Water System Agreement proposed between TEXARKANA and COMPANY, understands the provisions thereof and their effect upon ANNONA, including, without limitation, those relating to the right and obligation of COMPANY, upon default by TEXARKANA, to take over, operate and maintain all facilities and otherwise perform all other functions of TEXARKANA in the event COMPANY shall become repossessed of such facilities under the vendor's lien retained in the conveyances to TEXARKANA, including, further, its obligation thereupon to make budget determinations and billings for water services under the procedures hereinabove set forth with relation to the same subjects while the facilities are under TEXARKANA'S possession and control.

SECTION 20: Advisory Committee.

Concurrently with the execution of this contract ANNONA will appoint one of the members of its governing body or one of its officers or employees as a member of an Advisory

Committee which will be composed of one member appointed by each City which may contract with TEXARKANA for a water supply. The function of this Committee will be to consult and advise with representatives of TEXARKANA concerning future plans for expansion, methods for improved service, and other matters of mutual interest. Said Committee may make recommendations with reference to any related matters to the TEXARKANA City Council. TEXARKANA shall keep the Committee advised as to current status of financing, planning, construction and operation of the water supply facilities.

SECTION 21: ANNONA'S Future Interest in Facilities.

It is agreed by TEXARKANA that at such time as all bonds or other indebtedness incurred in connection with the acquisition and construction of System facilities by COMPANY have been fully paid and discharged, TEXARKANA will, upon ANNONA'S request, convey to ANNONA an undivided interest in such facilities equal to that percentage which the amount paid by ANNONA under this contract applied in discharging principal of bond obligations issued by COMPANY bears to the amount paid by all other contracting municipalities, including TEXARKANA, which has been applied in discharging principal of bond obligations issued by COMPANY, each of whom shall be entitled to a like conveyance representing their proportionate contributions of like nature during the period aforementioned. In this connection it is understood that TEXARKANA, Texas, on behalf of itself and Texarkana, Arkansas, shall, prior to crediting it with the amounts as above provided, first have credit on COMPANY books for the amount derived from those two Cities and employed in discharging principal of the bond obligations of Texarkana Water Supply Corporation prior to its merger with COMPANY. At the time of any

conveyance under the foregoing provisions, the parties agree that they will, by revision or modification of this contract, provide appropriate arrangements for the continued operation and maintenance of the facilities according to circumstances at the time. It is further provided that should the facilities ever be sold to any other person or corporation, ANNONA shall be paid a percentage of the money received, arrived at in the same manner as aforementioned with regard to possible conveyances, provided that the System shall not be sold at any time during which the aforementioned COMPANY bonds or any interest thereon are outstanding and unpaid unless provision for discharge thereof has been made under firm banking arrangements.

SECTION 22: Specially Constructed Facilities to be Paid for Exclusively by Those Benefiting.

It is understood that COMPANY may be called upon to finance and construct some facilities which will be for the exclusive benefit of one or more contracting cities and that in such event all of the related costs will be billed to and collected only from the benefiting city or cities independent of the arrangements indicated herein which apply to all contracting cities. Also, that in such event none of the amounts paid by any city for facilities benefiting it exclusively shall be credited to that city in arriving at its future interest in the facilities constructed for the benefit of all.

SECTION 23: TEXARKANA'S Obligations to Others.

ANNONA hereby acknowledges its awareness of TEXARKANA'S obligations to continue to supply through its own System the water needs of Texarkana, Arkansas, and is further aware of the terms of the contract between those two Cities

including the water priorities therein established for them;
also that other area cities will execute contracts with TEXARKANA
for water at the same price and otherwise under essentially the
same terms as this contract, the others currently thus involved
being Avery, DeKalb, Hooks, Maud, New Boston and
Wake Village, Texas. ANNONA further acknowledges that by
means of facilities which may hereafter be provided by COMPANY
or in some other manner for the treatment and transportation of
water from the TEXARKANA supply, the Cities of Atlanta, Bloomburg,
Leary, Nash,
Douglassville, Linden, Naples, Omaha and Queen City, Texas, may
receive water therefrom under appropriate contractual arrangements
and that, in such event, TEXARKANA'S obligation to those Cities
will be of the same nature as that to the area Cities first named,
including ANNONA insofar as participation in the then avail-
able supply is concerned.

SECTION 24: TEXARKANA'S Obligation to Make Water
Payments.

TEXARKANA agrees that the provisions hereof relat-
ing to computations of minimum monthly payments, payments for
additional water, budget determinations, water measurements and
all other features which relate to making water payments shall
apply to TEXARKANA in like manner as any other contracting
municipality and shall be obligations of TEXARKANA with respect
to water received by it for itself or Texarkana, Arkansas, through
COMPANY-constructed facilities and to the same extent and with
like effect as the same features are herein provided as obliga-
tions of ANNONA.

SECTION 25: Effective Date.

This contract shall not become effective until

but shall become effective upon the same date upon which the Water System Agreement between TEXARKANA and COMPANY shall be effective.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

CITY OF TEXARKANA, TEXAS

ATTEST:

By *[Signature]*
City Manager

John B. Tolbert
City Secretary

(Seal)

CITY OF ANNONA

ATTEST:

By *B. E. Stacy*
Mayor

W. W. Bryant Jr.
City Secretary

(Seal)

WATER SUPPLY CONTRACT

THE STATE OF TEXAS X
 X
 COUNTY OF BOWIE X

THIS CONTRACT, made and entered into this the 24th day of June, 1969, between the CITY OF TEXARKANA, TEXAS (hereinafter called "TEXARKANA"), a municipal corporation in Bowie County, Texas, acting under the laws of the State of Texas, and the CITY OF AVERY, TEXAS (hereinafter called "AVERY"), a municipal corporation in Red River County, Texas, acting under the laws of the State of Texas,

W I T N E S S E T H :

WHEREAS, under arrangements with the United States Government TEXARKANA has been allowed storage space in Texarkana Reservoir in a manner which provides it with not to exceed 25,000 acre-feet of water per annum and which TEXARKANA is authorized to divert and use for municipal purposes under its Permit No. 1563a issued by the Board of Water Engineers of the State of Texas; and

WHEREAS, it has been determined that such water supply is sufficient to meet the municipal requirements of AVERY and other area cities throughout the reasonably foreseeable future; and

WHEREAS, within the limits of the amounts which now are or which hereafter may be available to it for municipal purposes, TEXARKANA has agreed to supply the reasonable municipal requirements of such cities; and

WHEREAS, TEXARKANA has obtained from the Texas Water Rights Commission and now possesses Permit No. 1563b, by virtue of which it is authorized to divert and use for municipal purposes

an additional 20,000 acre-feet of water per annum (a total of 45,000 acre-feet) and for which, by contract with the United States Government and contingent upon the construction of Cooper Reservoir on the Sulphur River, TEXARKANA will possess storage space in Texarkana Reservoir, thus further insuring an adequate supply of water for all such cities; and

WHEREAS, AVERY desires to obtain a reliable supply of surface water for its municipal requirements such as that which may be made available to it under arrangements herein-after set forth; and

WHEREAS, TEXARKANA expects to enter into a Water Supply System Sale-Purchase-Financing Agreement (hereinafter referred to as "Water System Agreement") with LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter referred to as the "COMPANY") by the terms of which COMPANY will construct certain improvements, extensions and betterments to its present water treatment and transportation facilities (hereinafter referred to collectively as "COMPANY facilities"), which will provide the means of treating and transporting water to AVERY from the Lake Texarkana supply, TEXARKANA to take possession of and maintain and operate all COMPANY facilities upon completion of the aforementioned improvements, extensions and betterments; and

WHEREAS, by the terms of said Water System Agreement COMPANY will issue and sell its bonds in a principal sum adequate to (a) discharge any COMPANY indebtedness, including bonds previously issued, for water treatment and transporting facilities heretofore constructed if, in the opinion of its financial consultants, it is necessary to do so in order to more advantageously finance anticipated improvements to such facilities; and (b) as supplemented by a \$3,000,000 grant contracted to COMPANY by the

United States of America, Secretary of Housing and Urban Development, provide sums required to construct the aforementioned improvements now anticipated for delivery of treated water to area cities including AVERY ; and

WHEREAS, AVERY understands that COMPANY bonds issued in financing COMPANY facilities will be payable from revenues received by COMPANY from TEXARKANA pursuant to said Water System Agreement between said COMPANY and TEXARKANA; further that certain of the amounts pledged by TEXARKANA to meet its said obligations to COMPANY are to be derived from this Water Supply Contract between AVERY and TEXARKANA, thus constituting a basis for COMPANY credit in financing COMPANY facilities including those necessary in providing the means of treating and transporting water to AVERY under this contract; and

WHEREAS, both AVERY and TEXARKANA, acting through their duly constituted governing bodies, had mutually agreed upon the terms and conditions of this contract;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings herein set forth, the parties hereto agree and contract as follows:

SECTION 1: Quantity of Water - Water Charges.

(a) Upon the effective date of this contract TEXARKANA shall proceed as promptly as possible in performing its obligations under its Water System Agreement with COMPANY in order that COMPANY may construct the improvements, extensions and betterments to its present facilities which will offer AVERY the means of receiving water under this contract. Upon completion and acceptance of such facilities TEXARKANA will make available to AVERY at the point of delivery hereinafter specified treated water in an amount not to exceed 30 million gallons

per year to be delivered at the rate of not to exceed 0.082 million gallons per day. TEXARKANA represents that the COMPANY-constructed system capacity will permit the delivery aforementioned. Out of the total amount of water to be made available to AVERY it shall be entitled to take and receive within the maximum daily rate of delivery above specified an amount not to exceed 15 million gallons per year, for which AVERY agrees to make the minimum monthly payments hereinafter provided. For all amounts which it shall take within the maximum amount available for it but in excess of that to which it shall be entitled for the minimum monthly payments, AVERY agrees to pay such rates or charges reasonably determined by TEXARKANA as those required to provide all costs incurred in the delivery of such water. TEXARKANA agrees to undertake to supply AVERY water over and above the 30 million gallons per year first above mentioned as available to it under this agreement should the need arise and in that event and if such water cannot be delivered within the then existing system capacity, arrangements shall be accomplished by modification of the terms of this agreement as provided in Section 6 hereof. For purposes of arriving at the computations relating to price determinations TEXARKANA agrees there shall be made available for the use of itself and Texarkana, Arkansas, jointly treated water in an amount not to exceed 6,334.2 million gallons per year to be delivered at the rate of not to exceed 17.34 million gallons per day and that within said daily rate and out of said total annual availability it shall be entitled to take for their joint use an amount not to exceed 3,167.1 million gallons per year for minimum monthly payments arrived at in the same manner as

herein provided for AVERY'S minimum monthly payments and as will be provided for in all contracts with other area cities. The provisions hereof relating to taking and paying for water which may be received over and above that allowed for the minimum monthly payments shall be fully applicable to TEXARKANA. AVERY agrees that as consideration for TEXARKANA'S undertakings, and regardless of the actual quantity of water delivered, during the period that COMPANY'S bonds issued to provide and construct COMPANY facilities or any interest on such bonds are outstanding and unpaid, it will make "minimum monthly payments" to TEXARKANA adequate to discharge its pro rata part of the following items:

(1) All amounts required for amortization of COMPANY facilities, including all bonds and additional bonds required to provide and complete the facilities as planned issued by COMPANY pursuant to the terms and conditions of its bond authorizing resolutions and including, without limitation, the payment of all principal and interest, fees and charges of paying agents, and for the maintenance of any reserve, contingency or other funds specified by COMPANY'S resolutions relating to its bonds issued for providing and constructing the COMPANY facilities. The COMPANY resolutions aforementioned, their provisions and the terms and conditions of the Water System Agreement between TEXARKANA and COMPANY are fully recognized by AVERY in connection with its obligations to TEXARKANA hereunder. It is expressly understood, however, that after COMPANY bonds and all interest thereon

have been completely paid and discharged, the provisions of this item (1) shall no longer apply in the computation of minimum monthly payments.

(2) All amounts for which TEXARKANA may be obligated under its water storage contract with the United States Government after deducting therefrom such sums as are derived for this purpose under contracts between TEXARKANA and industrial users.

(3) All amounts reasonably required by TEXARKANA for the maintenance, operation and administration of all those properties and facilities which are received by it under contract with COMPANY. In computing the actual operating and maintenance costs of the facilities to be paid by TEXARKANA there shall be deducted any costs included therein for operating and maintaining facilities which may be provided for the delivery of industrial water out of that permitted for industrial purposes under TEXARKANA'S water permit. It is understood that at this time none of the facilities herein referred to are provided for the delivery of untreated or industrial water, but it is the intent of the parties that should the facilities be used for that purpose in the future, the charges made to the industry shall include the pro rata part of the operating and maintenance expense of the facilities in the same manner as the pro rata costs of maintaining and operating the facilities are computed for AVERY. In order to determine the actual costs of operating and maintaining the facilities for the purpose of computing

the amount to be paid by . AVERY , TEXARKANA agrees that it will keep detailed and accurate accounts showing all direct expenses of operation and maintenance including labor and materials chargeable to the source of supply, power and pumping, purification and transmission. In addition, indirect expenses such as insurance, administration and supervision, transportation clearing account, general administrative expenses including labor and supplies, telephone and telegraph expense, rents, and all other overhead expenses shall be accounted for and allocated to operation and maintenance of the facilities. Such allocation shall be made by TEXARKANA based on a detailed study which the City shall cause to be made by an independent accountant. All figures and data used in the making of such computation shall be made available for the information of AVERY at any reasonable time.

(4) All amounts reasonably required to pay COMPANY administration expenses attributable directly to its activities under the Water System Agreement between COMPANY and TEXARKANA.

(b) AVERY agrees to pay in monthly installments all requirements aforementioned and to promptly pay as billed all monthly sums required to meet its pro rata part of the items set forth in subparagraph (a)(1) of this Section 1 relating to COMPANY bond requirements regardless of whether there are any other charges then due.

(c) Operation of COMPANY facilities shall conform to a fiscal or budget year beginning October 1st of each year and ending September 30th of the following year.

(d) On or prior to the 15th day of the second month preceding that in which COMPANY'S consulting engineers shall indicate that water may be made available for AVERY'S use, the governing officials of TEXARKANA shall make a determination of all amounts anticipated as being required by TEXARKANA for items (1), (2), (3) and (4) of paragraph (a), such amounts to form the basis of a minimum monthly payment which shall be independent of the amount of water actually delivered to AVERY by TEXARKANA.

(e) The determination called for in paragraph (d) above shall be made no later than the 15th day of May of the year next succeeding that in which water may be made available to AVERY and shall relate not only to the requirements of the balance of the fiscal year then in progress, if any, but also to the requirements of the next succeeding fiscal year.

(f) Determinations similar to that described in paragraph (d) shall be made annually thereafter on or prior to the 10th day of May each year with respect to the succeeding fiscal year.

(g) Based upon the aforementioned determinations and within ten (10) days thereafter, the governing officials of the City of TEXARKANA shall cause to be prepared and its City Council shall preliminarily approve a budget reflecting all items which shall make up the total requirements attributable to COMPANY facilities and which must be provided for in the ensuing fiscal year or, if appropriate, the balance of the then current fiscal

year. As regards water taken by AVERY over and above that to which it shall be entitled for the minimum monthly payment, it is agreed that in the preparation of each annual budget TEXARKANA shall make and present calculations relating to the charges estimated to be required for delivery of such additional water in the succeeding fiscal year, in like manner as herein stated with respect to annual budget procedures and the determination of minimum monthly payments. The Board of Directors of COMPANY shall be furnished a copy of such budget within seven (7) ^{27th} days after its preliminary approval by the TEXARKANA City Council and COMPANY may indicate exceptions or suggestions, if any, within ten (10) days after receipt. Due consideration shall be given any exception or suggestion made by COMPANY'S Board of Directors and shall be incorporated insofar as consistent with TEXARKANA'S rights and obligations under its Water System Agreement with COMPANY, its rights and obligations under its contract with all contracting cities including AVERY, and consistent with its Lake Texarkana storage space contract with the United States Government. If for any reason it becomes apparent that the amount of any minimum or other payment made or to be made to TEXARKANA by AVERY under an annual budget previously adopted is either insufficient or excessive, the parties agree that such shall be taken into consideration in the preparation of the succeeding year's budget and the amounts therein provided for charge to AVERY adjusted up or down accordingly. Reasons for any increase or decrease in such charges shall be set forth by TEXARKANA in the succeeding year's budget. Among other features the budget aforementioned shall contain schedules of the minimum monthly payments to be made by each city contracting

with TEXARKANA to TEXARKANA each month during the budget year. So long as COMPANY bonds issued to provide COMPANY facilities herein referred to or any interest thereon remain outstanding and unpaid, and beginning with payments which shall become due on the 1st day of the sixth month next preceding the first month in which COMPANY shall be obligated to pay interest, and on the 1st day of each month thereafter, the scheduled minimum monthly payments shall contain not less than an amount equal to one-sixth ($1/6$) of the next succeeding installment of interest, and, in addition, beginning on the 1st day of the twelfth month next preceding the first month in which COMPANY shall be obligated to pay principal, and on the 1st day of each month thereafter, not less than one-twelfth ($1/12$) of the next succeeding installment of principal of all COMPANY bonds. Further, paying agent and other bond service charges shall be included in the scheduled monthly payments in such manner as will permit TEXARKANA to forward COMPANY all amounts required for satisfying and discharging COMPANY'S bond obligations in due and proper time.

(h) The budgeted amounts for which each contracting city, including AVERY and TEXARKANA, shall be obligated as minimum monthly payments shall be computed upon the percentage that the amount of water to be made available by TEXARKANA to each such contracting city for its minimum monthly payments shall bear to the amount of water to be made available by TEXARKANA to all contracting cities, including AVERY and TEXARKANA, for minimum monthly payments during the budget year.

(i) It is agreed and understood that TEXARKANA will prepare and furnish AVERY monthly bills or statements for all amounts reflected as being required under the provisions

of TEXARKANA'S then current budget arrangements (supplemented if necessary) so that same shall be received by AVERY on or prior to the 1st day of the month in which the bill shall be payable. Bills shall be payable no later than the 15th day of the month in which payable and AVERY agrees it will promptly remit to TEXARKANA all amounts as billed so as to reach it on or before that day. The first billing shall be made so as to become payable on the 15th day of the second month next succeeding the first month TEXARKANA City Council determinations are made in accordance with the provisions hereof.

→ (j) Should AVERY fail to make any payments at the times herein specified, interest on such amounts shall accrue at the rate of six per centum (6%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, TEXARKANA may, at its option, discontinue delivery of the water to

AVERY until the amount due TEXARKANA is paid in full with interest as herein specified. Such discontinuance shall not relieve AVERY of its obligation to make the payments required by this Section.

SECTION 2: Water Quality.

Water delivered under this contract shall be of the same quality as that distributed by TEXARKANA to its own consumers and customers. Furthermore, TEXARKANA agrees to operate the treatment and transmission facilities in such manner as will assure the approval of the Health Department of the State of Texas.

SECTION 3: Point of Delivery.

The point of delivery of the aforementioned water to AVERY shall be at a ground storage tank situated on a site in the William Collum HRS and in the Town of Avery, Texas, said site being North of and fronting on East Colorado Street and being approximately 0.947 Acres out of that certain 2.75 Acres described in deed from J. A. Raleigh to B. F. Pollard, recorded in Vol. 60, Page 397, Deed Records of Red River County, Texas.

SECTION 4: Water Measurement.

(a) Pursuant to its contract with TEXARKANA, COMPANY shall furnish and install at said point of delivery a master meter of standard type for measuring properly the quantity of water delivered AVERY under this contract, such to be operated and maintained by and at the expense of TEXARKANA. Both TEXARKANA and AVERY shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by employees or agents of TEXARKANA. TEXARKANA shall keep a true record of all meter readings as transcribed from reports of its employees or agents with respect thereto. TEXARKANA shall give AVERY such information as it may request from TEXARKANA'S journals or record books or permit AVERY and its agents to have access to same during business hours.

(b) TEXARKANA shall calibrate (or arrange for calibration of) its metering equipment as often as it considers necessary and at such time as AVERY may show reasonable evidence of error. If, upon any test, the percentage of any inaccuracy thereof is found to be in excess of 2%, registration thereof shall be corrected for a period extending back to the time such inaccuracy began, if such time is ascertainable, and

if not, then for a period extending back one-half of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. In the event

AVERY has provided no check meter with reference thereto and if for any reason any master meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meter is out of service or out of repair shall be agreed upon by the parties hereto, by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculations, or by estimating the quantity of water by the deliveries made during preceding periods under similar conditions when the meter was registering accurately.

SECTION 5: Contract Term - AVERY'S Rights at End of Term.

This contract and the obligation of AVERY to promptly make all prescribed monthly payments shall continue for the period that any of COMPANY'S bonds supported by said payments and issued to finance COMPANY facilities are outstanding and unpaid. At the end of such term, and when all such bonds and interest thereon have been paid or discharged, or when firm banking arrangements have been established to that end, TEXARKANA agrees AVERY shall have the right to an extension of the term of this contract beyond such initial period under such arrangements as shall be agreed upon between TEXARKANA and AVERY at the time, taking into consideration any change in quantity desired by AVERY, the availability thereof and the costs involved in making deliveries to AVERY. Determinations of charges shall then be made as herein provided for the original

term except that the COMPANY bond requirements shall not be involved as a factor.

SECTION 6: Modification of Provisions.

This contract may be changed and modified only with the consent of the governing bodies of both TEXARKANA and AVERY. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by AVERY under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any of the provisions of the resolutions authorizing the issuance of COMPANY'S bonds or any indentures securing such bonds. If for any reason AVERY may desire the construction of any additional facilities over and above those now contemplated and provided same are within the legal and economic capabilities of TEXARKANA, provision therefor shall be made by means of a supplement or amendment hereto, the terms of which are to be negotiated between the parties. Should TEXARKANA desire to construct any such additional facilities, either for the purpose of meeting its obligations to AVERY, or for other reasons, TEXARKANA shall not proceed with any work on such facilities, other than preliminary planning, without following the procedures described in this Section 6.

SECTION 7: Regulatory Provisions.

This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the

United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 8: Sales or Use Taxes.

In the event any sales or use taxes, or taxes of any similar nature, are hereafter imposed upon the gathering, taking, sale, use or consumption of the water received by

AVERY under this contract, the amount of such taxes shall be borne by AVERY, in addition to all other charges, and whenever TEXARKANA shall be required to pay, collect, or remit any such taxes on water received by AVERY, then AVERY shall promptly reimburse TEXARKANA therefor.

SECTION 9: Unit of Measurement.

The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

SECTION 10: Title to Water.

Title to all water supplied under this agreement shall remain in TEXARKANA to the point of delivery, and upon passing through the meter installed at that point, title to the water shall pass to AVERY. Each party hereto agrees to save and hold the other harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, delivery and disposal of said water while title remains in such party.

SECTION 11: Easements.

AVERY agrees that TEXARKANA may have and assign to COMPANY such easements over any easements, rights of way or property held by AVERY so that the COMPANY

facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 12: Nature of AVERY'S Obligation -
Not Payable by Taxation.

(a) The payments required to be made by AVERY under the terms of Section 1 hereof shall be due and payable as therein specified in any and all events and regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the construction program and regardless of whether the facilities shall have been wholly or partially destroyed or damaged, and regardless of whether TEXARKANA shall have tendered water to AVERY. The agreements of AVERY to make the payments required are separate and independent covenants and AVERY shall have no right of set-off, recoupment or counterclaim. The foregoing provisions of this paragraph, however, shall not apply (1) to any payments under Section 1 in respect of any period during which AVERY shall not be tendered any water by the wrongful affirmative act of TEXARKANA; (2) to any payments in respect of any period during which TEXARKANA shall refuse to continue arrangements under its contract with COMPANY for completion of the facilities through its wrongful affirmative act. TEXARKANA shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Any obligations assumed or imposed on AVERY hereunder shall never be construed as a debt of AVERY of any kind as to require it under the Constitution and laws of this State to levy and collect taxes to discharge such obligation, it being expressly understood by the parties hereto that the funds required for all payments due by AVERY are to

be collected from the sources referred to in the next succeeding Section 13. AVERY agrees to operate and maintain its water system in such manner and to make such charges for the water and services supplied thereby to all consumers so that the revenues derived therefrom will always be adequate to enable AVERY to promptly make all payments due TEXARKANA under the provisions of this agreement. All payments so made shall be deemed expenses of maintaining and operating the AVERY water system.

(b) It is understood that at this time TEXARKANA is not in position to guarantee the construction of the improvements, extensions and betterments to COMPANY facilities or the date on which water may first be made available to AVERY. TEXARKANA agrees, however, to make diligent efforts to provide the additional facilities through its contract with COMPANY, but is not to be liable to AVERY for any damages occasioned by delay unless such is attributable to the fault of TEXARKANA. It is further understood that any obligation on the part of TEXARKANA is conditioned upon the successful sale of COMPANY bonds in the amounts required to provide the improvements, extensions and betterments to its present facilities in order to make possible delivery of water to AVERY under this contract.

SECTION 13: Priority of TEXARKANA'S Charges - AVERY to Fix Adequate Rates.

(a) AVERY represents and covenants that all payments to be made hereunder shall constitute "operating expenses" of its Waterworks System with the effect that the obligation to make such payments from its Waterworks revenues under this contract shall be an operating expense as defined by Article 1113 of the Revised Civil Statutes of Texas, 1925, as amended.

(b) AVERY further agrees to fix and collect such rates and charges for water services to its customers as will, in combination with any other funds legally available and reasonably assured for the purpose, make possible the prompt payment of all expenses of operating and maintaining its Water System and all payments contracted hereunder.

SECTION 14: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this agreement, other than the obligation of AVERY to make the payments required under the terms of Section 1 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure", shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of public enemy, orders or actions of any kind of the Government of the United States or of the State of Texas, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage, or accident to dams, machinery, pipelines, or canals or other structures or machinery, partial or entire failure of water supply and inability on the

part of TEXARKANA to deliver water hereunder, or of AVERY to receive water, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of TEXARKANA to meet any obligation by reason of force majeure shall relieve AVERY from its obligations to make the payments required under the terms of Section 1 hereof.

(b) No damage shall be recoverable from TEXARKANA by reason of the suspension of delivery of water due to any of the causes above mentioned. If TEXARKANA'S ability to deliver water to AVERY is affected by any of such causes, TEXARKANA shall promptly notify AVERY in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption. If the supply of water available to TEXARKANA is insufficient for any reason to serve the requirements of all of its customers, then the available amount of water will be allocated by TEXARKANA so as to meet the requirements of its various customers in accordance with their respective needs.

(c) It is expressly recognized by AVERY that TEXARKANA may be compelled to make necessary alterations, repairs or extensions of new or additional water transporting facilities from time to time during the life of this contract and any suspension of delivery to AVERY due to such operation shall

not be cause for claim of damage on part of TEXARKANA provided all reasonable effort is used by TEXARKANA to provide AVERY with water in accordance with this contract. In such case TEXARKANA shall give AVERY as much advance notice as may be practicable of the suspension of delivery and of the estimated duration thereof.

SECTION 15: Notices.

Any notice, request, demand, statement, or bill provided for in this agreement shall be in writing and shall be considered to have been duly delivered when sent by registered mail, addressed to the City Secretary, City Hall, Texarkana, Texas, or to the City Secretary, City Hall, Avery, Texas, as the case may be, except that routine communications may be sent by ordinary mail and except that either party may, by the filing of an appropriate written notice to the other, specify some other individual to whom communications thereafter are to be addressed.

SECTION 16: Severability.

The parties hereto agree that if any of the provisions of this contract contravene or be held invalid under the laws of this State, same shall not invalidate the whole agreement but it shall be construed as though not containing that particular provision and the rights and obligations of the parties shall be construed and in force accordingly.

SECTION 17: Pledge.

It is recognized that the proceeds of this contract are to be pledged by TEXARKANA under its Water System Agreement with COMPANY for the payment of COMPANY bonds and in such respect AVERY agrees that COMPANY may enforce any obligations owed

it by TEXARKANA should TEXARKANA for any reason fail to pursue appropriate remedies against AVERY for the enforcement of the payments which are to be derived for the payment of COMPANY indebtedness.

SECTION 18: Services by AVERY Outside Its Limits.

The parties agree that rates charged by AVERY for water supplied areas and customers outside its corporate limits may be greater than those charged for water supplied within its limits. AVERY, however, agrees to submit all such rate schedules to TEXARKANA and COMPANY.

SECTION 19: Acknowledgment and Acceptance by AVERY of TEXARKANA-COMPANY Water System Agreement.

AVERY acknowledges that it has been furnished a copy of the Water System Agreement proposed between TEXARKANA and COMPANY, understands the provisions thereof and their effect upon AVERY, including, without limitation, those relating to the right and obligation of COMPANY, upon default by TEXARKANA, to take over, operate and maintain all facilities and otherwise perform all other functions of TEXARKANA in the event COMPANY shall become repossessed of such facilities under the vendor's lien retained in the conveyances to TEXARKANA, including, further, its obligation thereupon to make budget determinations and billings for water services under the procedures hereinabove set forth with relation to the same subjects while the facilities are under TEXARKANA'S possession and control.

SECTION 20: Advisory Committee.

Concurrently with the execution of this contract AVERY will appoint one of the members of its governing body or one of its officers or employees as a member of an Advisory

Committee which will be composed of one member appointed by each City which may contract with TEXARKANA for a water supply. The function of this Committee will be to consult and advise with representatives of TEXARKANA concerning future plans for expansion, methods for improved service, and other matters of mutual interest. Said Committee may make recommendations with reference to any related matters to the TEXARKANA City Council. TEXARKANA shall keep the Committee advised as to current status of financing, planning, construction and operation of the water supply facilities.

SECTION 21: AVERY'S Future Interest in Facilities.

It is agreed by TEXARKANA that at such time as all bonds or other indebtedness incurred in connection with the acquisition and construction of System facilities by COMPANY have been fully paid and discharged, TEXARKANA will, upon AVERY'S request, convey to AVERY an undivided interest in such facilities equal to that percentage which the amount paid by

AVERY under this contract applied in discharging principal of bond obligations issued by COMPANY bears to the amount paid by all other contracting municipalities, including TEXARKANA, which has been applied in discharging principal of bond obligations issued by COMPANY, each of whom shall be entitled to a like conveyance representing their proportionate contributions of like nature during the period aforementioned. In this connection it is understood that TEXARKANA, Texas, on behalf of itself and Texarkana, Arkansas, shall, prior to crediting it with the amounts as above provided, first have credit on COMPANY books for the amount derived from those two Cities and employed in discharging principal of the bond obligations of Texarkana Water Supply Corporation prior to its merger with COMPANY. At the time of any

conveyance under the foregoing provisions, the parties agree that they will, by revision or modification of this contract, provide appropriate arrangements for the continued operation and maintenance of the facilities according to circumstances at the time. It is further provided that should the facilities ever be sold to any other person or corporation, AVERY shall be paid a percentage of the money received, arrived at in the same manner as aforementioned with regard to possible conveyances, provided that the System shall not be sold at any time during which the aforementioned COMPANY bonds or any interest thereon are outstanding and unpaid unless provision for discharge thereof has been made under firm banking arrangements.

SECTION 22: Specially Constructed Facilities to be Paid for Exclusively by Those Benefiting.

It is understood that COMPANY may be called upon to finance and construct some facilities which will be for the exclusive benefit of one or more contracting cities and that in such event all of the related costs will be billed to and collected only from the benefiting city or cities independent of the arrangements indicated herein which apply to all contracting cities. Also, that in such event none of the amounts paid by any city for facilities benefiting it exclusively shall be credited to that city in arriving at its future interest in the facilities constructed for the benefit of all.

SECTION 23: TEXARKANA'S Obligations to Others.

AVERY hereby acknowledges its awareness of TEXARKANA'S obligations to continue to supply through its own System the water needs of Texarkana, Arkansas, and is further aware of the terms of the contract between those two Cities

including the water priorities therein established for them; also that other area cities will execute contracts with TEXARKANA for water at the same price and otherwise under essentially the same terms as this contract, the others currently thus involved being Annona, DeKalb, Hooks, Maud, New Boston and Wake Village, Texas. AVERY further acknowledges that by means of facilities which may hereafter be provided by COMPANY or in some other manner for the treatment and transportation of water from the TEXARKANA supply, the Cities of Atlanta, Bloomburg, Leary, Nash, Douglassville, Linden, Naples, Omaha and Queen City, Texas, may receive water therefrom under appropriate contractual arrangements and that, in such event, TEXARKANA'S obligation to those Cities will be of the same nature as that to the area Cities first named, including AVERY insofar as participation in the then available supply is concerned.

SECTION 24: TEXARKANA'S Obligation to Make Water Payments.

TEXARKANA agrees that the provisions hereof relating to computations of minimum monthly payments, payments for additional water, budget determinations, water measurements and all other features which relate to making water payments shall apply to TEXARKANA in like manner as any other contracting municipality and shall be obligations of TEXARKANA with respect to water received by it for itself or Texarkana, Arkansas, through COMPANY-constructed facilities and to the same extent and with like effect as the same features are herein provided as obligations of AVERY.

SECTION 25: Effective Date.

This contract shall not become effective until

but shall become effective upon the same date upon which the Water System Agreement between TEXARKANA and COMPANY shall be effective.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

CITY OF TEXARKANA, TEXAS

By *[Signature]*
City Manager

ATTEST:

[Signature]
City Secretary

(Seal)

CITY OF AVERY

By *[Signature]*
Mayor

ATTEST:

[Signature]
City Secretary

(Seal)

CERTIFICATE OF CITY SECRETARY

STATE OF TEXAS
COUNTY OF BOWIE
CITY OF TEXARKANA

Y
V
Y
V
Y
V
Y

I, the undersigned, City Secretary of the City of
Texarkana, Texas, DO HEREBY CERTIFY that the above and foregoing
is a true and correct copy of a "Water Supply Contract" between
the City of Avery, Texas, and the City of Texarkana,
Texas, dated the 24th day of June, 1969.

IN WITNESS WHEREOF, I have hereunto set my official
signature and affixed the seal of said City, this the 30th
day of September, 1969.

Hubert B. Talbot
City Secretary, City of Texarkana, Texas

(City Seal)

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS
COUNTY OF RED RIVER
CITY OF AVERY

I, the undersigned, City Secretary of the City of
Avery, Texas, DO HEREBY CERTIFY that the above and fore-
going is a true and correct copy of a "Water Supply Contract"
between the City of Avery, Texas, and the City of
Texarkana, Texas, dated the 24th day of June, 1969.

IN WITNESS WHEREOF, I have hereunto set my official
signature and affixed the seal of said City, this the 7th
day of October, 1969.

J. E. McFarland
City Secretary, City of Avery
Texas

(City Seal)

APPLICATION FOR A TERM PERMIT BASED ON A CONTRACT

(This form is to be used only by applicants who propose to use water (a) where the source of supply is water lawfully held or stored in another permittee's reservoir, (b) the authorized purpose of use of the stored water is the same as that proposed by the applicant, and (c) where a written agreement has been entered into with the owner of the reservoir for an interest equal to that proposed in this application.)

APPLICATION NO: _____ DATE RECEIVED: _____
 HEARING SET FOR: _____ DATE ORDERED FILED: _____
 FEES RECEIVED: _____ NOTICE SENT OR PUBLISHED: _____

 (Do not write above this line - for Texas Water Commission use only)

1. Personal Data of Applicant

A. Name: _____ City of Avery, Texas
 B. Address: _____ Avery, Red River, Texas 75554
 (Street or RFD No.) (City) (County) (State)
 C. Post Office Box. No. _____ Telephone No. MU4-3346

2. General Information

A. Amount and Purpose of Use:

Acre-Feet Per Annum	Purpose of Use
92.10 acre-feet	Municipal
_____ acre-feet	_____
_____ acre-feet	_____

B. Source of Supply:

(1) Name of Reservoir: _____ Texarkana Reservoir
 (2) Location of Reservoir: Approximately 10.0 miles
 in a Southwesterly direction from the City of Texarkana,
 _____ Texas and on the Sulphur (River)
 (Stream), which is a tributary of the Red
 _____ River Watershed.

- (3) Name of Reservoir Owner: U. S. Corps of Engineers
- (4) Number(s) of Permit(s) or Certified Filing(s) held by
owner of reservoir which authorize the amount(s) of
water, purpose(s) and place(s) of use as proposed in
this application: (Held by City of Texarkana, Texas)
1563; 1563a; and 1563b.

C. Method of Delivery:

- (1) When bed and banks of natural watercourse will be used
to transit the waters: Name of watercourse to be used
to transit waters: _____, a tributary
of _____ (River), _____ Water-
shed.
- (2) When bed and banks of natural watercourse will not be
used to transport water from place of origin to termi-
nus, specify exact means which will be used to deliver
water to applicant: City of Texarkana, Texas, Pump Station
No. 1 (existing), Bearing South 60 degrees West, 833 feet from
the Northeast corner of M.E.P. and P.R.R. Company
Survey, Abstract No. 422, Bowie County, Texas.

D. Diversion and Distribution Works:

- (1) Diversion will be at City of Texarkana, Texas, Pump
Station No. 1 (existing), located
~~(River) (Stream) tributary of _____ River~~
at a point approximately 9.5 miles in a South-
westerly direction from the City
town of Texarkana, Texas,
and at a maximum rate of 455 gpm/cfs., or
204,218 gallons per minute.
- (2) Distribution will be by means of City's existing system
and improvements thereto now under construction.
- (3) Lands to be irrigated (if applicable): The total
number of acres to be irrigated during the term of the
contract will be _____ acres located in _____

_____ Original Survey, Abstract No. _____,
 _____ County, Texas. (If land is located
 in more than one survey give name and number of each
 survey in which land lies.)

3. Contract Information

This application is accompanied by a certified copy of a contract entered into by the applicant and the owner of the source of supply which contract specifies the following:

- (A) Cost to applicant per acre-foot of water;
- (B) Length of time contract will remain in force;
- (C) Specifies that the applicant must secure a valid permit for the use of the water before delivery will be made of any water called for under the terms of the contract;
- (D) Is duly executed by both the applicant and the supplier of water.

Witness _____ My _____ hand at _____ Avery _____, Texas, this
 the 8th day of Oct., 19 69.

Augustus Downing
 Mayor, City of Avery, Texas

Subscribed and sworn to as being true and correct before me on
 this the 1st day of Nov, 19 69.

Shirley B. Harris
 Notary Public

Red River County, Texas

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AVERY, TEXAS:

THAT the Mayor be and he is hereby authorized and directed to prepare, or cause to be prepared, and to execute an "Application for a Term Permit Based on a Contract", which said contract, designated "Water Supply Contract" was made and entered into between the City of AVERY, Texas, and the City of Texarkana, Texas, as of the 24th day of June, 1969. That the Mayor be further authorized and directed to provide the Texas Water Rights Commission the amount of such statutory fees as shall be required in connection with filing the aforementioned application. It is understood that all the actions aforementioned are to be taken in accordance with the requirements of law and the rules and regulations of the Texas Water Rights Commission relating thereto.

The said Mayor or other City official, the City's engineers, attorneys or financial representatives are authorized to represent the City in connection with the aforementioned application as the circumstances may indicate.

The above resolution having been presented, Mr. William Hunt made a motion for its adoption. Thereupon, Mr. M.B. Bunker seconded the motion, and the question being called for, said resolution was adopted by the following vote:

AYES: 6

NOES: no

The Mayor announced that the motion was carried and the resolution was duly adopted.

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of an excerpt from the Minutes of a meeting of the City Council of the City of AVERY, Texas, held on the 27th day of October, 1969, as shown by the records of the City on file in my office.

WITNESS MY HAND and the seal of the City of Avery, Texas, this the 27th day of October, 1969.

J.E. McFarland
City Secretary, City of Avery,
Texas

(City Seal)

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~~498~~

IN WITNESS WHEREOF, I have hereunto set my hand and the seal
of Texarkana, Texas, this the 29 day of October, 1970

Helen B. Talbert
City Secretary
City of Texarkana, Texas

(City Seal)

RESOLUTION NO. 158-70

*63 minutes
Apr 12 1971
Bret 13 page 62*

A RESOLUTION APPROVING SUPPLEMENTAL WATER SUPPLY CONTRACT BETWEEN THE CITY OF TEXARKANA, TEXAS AND THE CITY OF AVERY, TEXAS AND LAKE TEXARKANA WATER SUPPLY CORPORATION AUTHORIZING THE CITY MANAGER TO EXECUTE SAME AND TO BECOME EFFECTIVE UPON APPROVAL OF ALL PARTIES TO THE CONTRACT.

WHEREAS, the City Council of the City of Texarkana, Texas has determined it is necessary and advisable to approve and authorize execution of a "Supplemental Water Supply Contract" between the City of Texarkana, Texas, the City of Avery, Texas, and the Lake Texarkana Water Supply Corporation;

BE IT RESOLVED, THEREFORE, BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: That the "Supplemental Water Supply Contract" referred to in the preamble hereof be and same is hereby formally approved as to both form and substance.

SECTION 2: That a true and correct copy of such contract be attached hereto and made a part hereof by this reference.

SECTION 3: That the amount of the obligation of the City of Texarkana, Texas under the terms of the attached contract is limited to and shall not exceed THIRTY THOUSAND AND NO/100 (\$30,000.00) DOLLARS.

SECTION 4: That the City Manager and City Secretary be and they are hereby authorized to execute said contract on behalf of the City and as the act and deed of the City Council.

SECTION 5: That the City Secretary be and she is hereby authorized to furnish such number of certified copies hereof as may be requested by the parties to such contract or other interested persons.

SECTION 6: The obligations incurred by the City of Texarkana, Texas under the terms of the contract attached hereto are conditioned upon the joint approval of the contract by the City of Avery, Texas and Lake Texarkana Water Supply Corporation.

PASSED, APPROVED and ADOPTED in Special Council Session on this the 29th day of October, 1970.

/s/ D. W. Wisdom
D. W. Wisdom, Mayor

ATTEST:

/s/ Helen B. Talbert

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APPROVED as to form and legality:

/s/ Leon Pesek
Leon Pesek, City Attorney

SUPPLEMENTAL WATER SUPPLY CONTRACT

CITY OF TEXARKANA, TEXAS - CITY OF AVERY, TEXAS

LAKE TEXARKANA WATER SUPPLY CORPORATION

THE STATE OF TEXAS X
 X
COUNTY OF BOWIE X

THIS CONTRACT, made and entered into between the CITY OF TEXARKANA, TEXAS, (hereinafter called "TEXARKANA"), a municipal corporation in Bowie County, Texas, the CITY OF AVERY, TEXAS, (hereinafter called "AVERY"), a municipal corporation in Red River County, Texas, and the LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter called "COMPANY"), a nonprofit corporation duly organized under the laws of the State of Texas;

W I T N E S S E T H :

WHEREAS, AVERY has need of certain special and local facilities for its exclusive use and benefit in obtaining its water requirements from the area water system facilities to be provided by COMPANY under a "Water Supply System Sale-Purchase-Financing Agreement" dated July 24, 1969, between COMPANY and TEXARKANA and:

WHEREAS, the parties hereto agree that the construction of such facilities will be to the benefit of all parties and that this agreement shall constitute a supplement to the "Water Supply Contract" dated June 24, 1969, entered into between AVERY and TEXARKANA as contemplated under the provisions of Section 6 thereof;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings herein set forth, the parties hereto hereby agree and contract as follows:

1. Out of the proceeds of its "Lake Texarkana Water Supply Corporation Bonds, Series 1969", COMPANY will provide the funds required to finance the construction of the special facilities which will be constructed in accordance with plans and specifications prepared by Henningson, Durham & Richardson, Inc., Consulting Engineers for AVERY, and which said plans and specifications shall first receive the written approval of all parties hereto. A description and estimate of the costs of the special facilities are as follows:

<u>Item</u>	<u>Estimated Cost</u>
Utility Building	\$ 2,720.00
High Service Pump & Motor	5,000.00
Automatic Control System	4,000.00
Automatic Chlorination System	1,800.00
High Service Flow Meter	1,400.00
Electrical Equipment & Work	3,500.00
8" C. I. Pipe	2,550.00
8" Gate Valves	350.00
8" Check Valves	600.00
6" Gate Valves	150.00
Air Valves	300.00
Cast Iron Fittings	<u>1,146.50</u>
Estimated Construction Cost Plus	23,516.50
15% Engineering & Contingencies	<u>3,527.48</u>
TOTAL ESTIMATED COST	\$ 27,043.98

2. AVERY will grant COMPANY an easement on and over all lands now owned by AVERY as locations for the housing of pumps and as right of way for the laying of necessary pipes, as well as for the location and installation of all accessory machinery, equipment or other facilities.

3. The parties recognize that under the terms of the "Water Supply System Sale-Purchase-Financing Agreement" between COMPANY and TEXARKANA, that COMPANY is obligated to convey to TEXARKANA any property acquired or constructed by it with the proceeds of the Series 1969 Bonds aforementioned. The parties agree that COMPANY will contract for the construction of said special facilities and will own said facilities until the COMPANY conveys said special facilities to TEXARKANA. It is further understood that when said special facilities have been constructed and accepted, TEXARKANA will afford AVERY full use of said special facilities. As consideration therefor and for COMPANY'S financing the cost of the special facilities enumerated above under Section 1 hereof, AVERY agrees that in calculating the monthly payments which will be due TEXARKANA under the provision of Section 1 of the "Water Supply Contract" dated June 24, 1969, between TEXARKANA and AVERY there shall be included such additional amounts as will amortize over the term of the Series 1969 Bonds COMPANY'S cost in financing the construction of said special facilities in the same manner as provided for the amortization of COMPANY'S bonds with interest and related charges under Section 1 of said "Water Supply Contract".

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4. AVERY shall at all times be fully responsible for the safe operation of the special facilities and the maintenance thereof in good operating condition and state of repair. AVERY shall hold TEXARKANA harmless from any and all claims for damages or otherwise which may in any way relate to the special facilities, the use thereof or the land on which said special facilities shall be located. AVERY covenants that it will at all times keep insured for the benefit of AVERY and TEXARKANA, with a responsible insurance company or companies, against risks, accidents or casualties, such of the special facilities as are usually insured by corporations operating like properties and to the extent insurance is usually carried by such corporations, provided, however, that while any contractor engaged in construction work shall be fully responsible, AVERY shall not be required to carry insurance for the same protection. The proceeds of insurance realized from damages suffered by any of the special facilities shall be used in repairing and restoring the damaged facility to operational use as promptly as possible and in the event the insurance proceeds recovered are more than the amount necessary to properly repair and restore the damaged facility then such excess insurance proceeds shall be deposited by AVERY in a special fund to be used by AVERY for maintenance concerning said special facilities.

5. It is further agreed that at such time as AVERY shall have made all payments required under Section 3 hereof, TEXARKANA shall convey the above described special facilities to AVERY.

6. All arrangements aforementioned which are to take place prior to the commencement of construction shall be completed before COMPANY shall be required to let contracts for the construction of the special facilities for AVERY.

7. That as between TEXARKANA and AVERY this contract shall be supplementary to the "Water Supply Contract" dated June 24, 1969, pursuant to Section 22 of such contract.

8. The execution hereof on behalf of the parties by their representatives as below shown has been duly authorized by the respective governing bodies of each.

DATED as of the 19th day of October, 1970.

ATTEST: /s/ Jimmy D. Crowson
Secretary-Treasurer

ATTEST: /s/ Helen B. Talbert
City Secretary

ATTEST: J. E. Medford /s/
City Secretary

LAKE TEXARKANA WATER SUPPLY CORPORATION

By: /s/ Bernard A. Lemser, President

CITY OF TEXARKANA, TEXAS

By: /s/ Charles E. Markham, City Mgr.

CITY OF AVERY, TEXAS

By: /s/ Augustus Downing, Mayor

WATER SUPPLY CONTRACT

THE STATE OF TEXAS I
 I
COUNTY OF BOWIE I

THIS CONTRACT, made and entered into this the 24th
day of June, 1969, between the CITY OF TEXARKANA, TEXAS
(hereinafter called "TEXARKANA"), a municipal corporation in Bowie
County, Texas, acting under the laws of the State of Texas, and
the CITY OF DE KALB, TEXAS (hereinafter called "DE KALB"),
a municipal corporation in Bowie County, Texas, acting under
the laws of the State of Texas,

W I T N E S S E T H :

WHEREAS, under arrangements with the United States
Government TEXARKANA has been allowed storage space in Texarkana
Reservoir in a manner which provides it with not to exceed 25,000
acre-feet of water per annum and which TEXARKANA is authorized to
divert and use for municipal purposes under its Permit No. 1563a
issued by the Board of Water Engineers of the State of Texas; and

WHEREAS, it has been determined that such water supply
is sufficient to meet the municipal requirements of DE KALB
and other area cities throughout the reasonably foreseeable future;
and

WHEREAS, within the limits of the amounts which now are
or which hereafter may be available to it for municipal purposes,
TEXARKANA has agreed to supply the reasonable municipal require-
ments of such cities; and

WHEREAS, TEXARKANA has obtained from the Texas Water
Rights Commission and now possesses Permit No. 1563b, by virtue
of which it is authorized to divert and use for municipal purposes

an additional 20,000 acre-feet of water per annum (a total of 45,000 acre feet) and for which, by contract with the United States Government and contingent upon the construction of Cooper Reservoir on the Sulphur River, TEXARKANA will possess storage space in Texarkana Reservoir, thus further insuring an adequate supply of water for all such cities; and

WHEREAS, DE KALB desires to obtain a reliable supply of surface water for its municipal requirements such as that which may be made available to it under arrangements hereinafter set forth; and

WHEREAS, TEXARKANA expects to enter into a Water Supply System Sale-Purchase-Financing Agreement (hereinafter referred to as "Water System Agreement") with LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter referred to as the "COMPANY") by the terms of which COMPANY will construct certain improvements, extensions and betterments to its present water treatment and transportation facilities (hereinafter referred to collectively as "COMPANY facilities"), which will provide the means of treating and transporting water to DE KALB from the Lake Texarkana supply, TEXARKANA to take possession of and maintain and operate all COMPANY facilities upon completion of the aforementioned improvements, extensions and betterments; and

WHEREAS, by the terms of said Water System Agreement COMPANY will issue and sell its bonds in a principal sum adequate to (a) discharge any COMPANY indebtedness, including bonds previously issued, for water treatment and transporting facilities heretofore constructed if, in the opinion of its financial consultants, it is necessary to do so in order to more advantageously finance anticipated improvements to such facilities; and (b) as supplemented by a \$3,000,000 grant contracted to COMPANY by the

United States of America, Secretary of Housing and Urban Development, provide sums required to construct the aforementioned improvements now anticipated for delivery of treated water to area cities including DE KALB ; and

WHEREAS, DE KALB understands that COMPANY bonds issued in financing COMPANY facilities will be payable from revenues received by COMPANY from TEXARKANA pursuant to said Water System Agreement between said COMPANY and TEXARKANA; further that certain of the amounts pledged by TEXARKANA to meet its said obligations to COMPANY are to be derived from this Water Supply Contract between DE KALB and TEXARKANA, thus constituting a basis for COMPANY credit in financing COMPANY facilities including those necessary in providing the means of treating and transporting water to DE KALB under this contract; and

WHEREAS, both DE KALB and TEXARKANA, acting through their duly constituted governing bodies, had mutually agreed upon the terms and conditions of this contract;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings herein set forth, the parties hereto agree and contract as follows:

SECTION 1: Quantity of Water - Water Charges.

(a) Upon the effective date of this contract TEXARKANA shall proceed as promptly as possible in performing its obligations under its Water System Agreement with COMPANY in order that COMPANY may construct the improvements, extensions and betterments to its present facilities which will offer DE KALB the means of receiving water under this contract. Upon completion and acceptance of such facilities TEXARKANA will make available to DE KALB at the point of delivery hereinafter specified treated water in an amount not to exceed 153.4 million gallons

per year to be delivered at the rate of not to exceed .42 million gallons per day. TEXARKANA represents that the COMPANY-constructed system capacity will permit the delivery aforementioned. Out of the total amount of water to be made available to DE KALB it shall be entitled to take and receive within the maximum daily rate of delivery above specified an amount not to exceed 76.7 million gallons per year, for which DE KALB agrees to make the minimum monthly payments hereinafter provided. For all amounts which it shall take within the maximum amount available for it but in excess of that to which it shall be entitled for the minimum monthly payments, DE KALB agrees to pay such rates or charges reasonably determined by TEXARKANA as those required to provide all costs incurred in the delivery of such water. TEXARKANA agrees to undertake to supply DE KALB water over and above the 153.4 million gallons per year first above mentioned as available to it under this agreement should the need arise and in that event and if such water cannot be delivered within the then existing system capacity, arrangements shall be accomplished by modification of the terms of this agreement as provided in Section 6 hereof. For purposes of arriving at the computations relating to price determinations TEXARKANA agrees there shall be made available for the use of itself and Texarkana, Arkansas, jointly treated water in an amount not to exceed 6,334.2 million gallons per year to be delivered at the rate of not to exceed 17.34 million gallons per day and that within said daily rate and out of said total annual availability it shall be entitled to take for their joint use an amount not to exceed 3,167.1 million gallons per year for minimum monthly payments arrived at in the same manner as

herein provided for . DE KALB'S minimum monthly payments and as will be provided for in all contracts with other area cities. The provisions hereof relating to taking and paying for water which may be received over and above that allowed for the minimum monthly payments shall be fully applicable to TEXARKANA. DE KALB agrees that as consideration for TEXARKANA'S undertakings, and regardless of the actual quantity of water delivered, during the period that COMPANY'S bonds issued to provide and construct COMPANY facilities or any interest on such bonds are outstanding and unpaid, it will make "minimum monthly payments" to TEXARKANA adequate to discharge its pro rata part of the following items:

(1) All amounts required for amortization of COMPANY facilities, including all bonds and additional bonds required to provide and complete the facilities as planned issued by COMPANY pursuant to the terms and conditions of its bond authorizing resolutions and including, without limitation, the payment of all principal and interest, fees and charges of paying agents, and for the maintenance of any reserve, contingency or other funds specified by COMPANY'S resolutions relating to its bonds issued for providing and constructing the COMPANY facilities. The COMPANY resolutions aforementioned, their provisions and the terms and conditions of the Water System Agreement between TEXARKANA and COMPANY are fully recognized by DE KALB in connection with its obligations to TEXARKANA hereunder. It is expressly understood, however, that after COMPANY bonds and all interest thereon

have been completely paid and discharged, the provisions of this item (1) shall no longer apply in the computation of minimum monthly payments.

(2) All amounts for which TEXARKANA may be obligated under its water storage contract with the United States Government after deducting therefrom such sums as are derived for this purpose under contracts between TEXARKANA and industrial users.

(3) All amounts reasonably required by TEXARKANA for the maintenance, operation and administration of all those properties and facilities which are received by it under contract with COMPANY. In computing the actual operating and maintenance costs of the facilities to be paid by TEXARKANA there shall be deducted any costs included therein for operating and maintaining facilities which may be provided for the delivery of industrial water out of that permitted for industrial purposes under TEXARKANA'S water permit. It is understood that at this time none of the facilities herein referred to are provided for the delivery of untreated or industrial water, but it is the intent of the parties that should the facilities be used for that purpose in the future, the charges made to the industry shall include the pro rata part of the operating and maintenance expense of the facilities in the same manner as the pro rata costs of maintaining and operating the facilities are computed for DE KALB. In order to determine the actual costs of operating and maintaining the facilities for the purpose of computing

the amount to be paid by DE KALB, TEXARKANA agrees that it will keep detailed and accurate accounts showing all direct expenses of operation and maintenance including labor and materials chargeable to the source of supply, power and pumping, purification and transmission. In addition, indirect expenses such as insurance, administration and supervision, transportation clearing account, general administrative expenses including labor and supplies, telephone and telegraph expense, rents, and all other overhead expenses shall be accounted for and allocated to operation and maintenance of the facilities. Such allocation shall be made by TEXARKANA based on a detailed study which the City shall cause to be made by an independent accountant. All figures and data used in the making of such computation shall be made available for the information of DE KALB at any reasonable time.

(4) All amounts reasonably required to pay COMPANY administration expenses attributable directly to its activities under the Water System Agreement between COMPANY and TEXARKANA.

(b) DE KALB agrees to pay in monthly installments all requirements aforementioned and to promptly pay as billed all monthly sums required to meet its pro rata part of the items set forth in subparagraph (a)(1) of this Section 1 relating to COMPANY bond requirements regardless of whether there are any other charges then due.

(c) Operation of COMPANY facilities shall conform to a fiscal or budget year beginning October 1st of each year and ending September 30th of the following year.

(d) On or prior to the 15th day of the second month preceding that in which COMPANY'S consulting engineers shall indicate that water may be made available for DE KALB'S use, the governing officials of TEXARKANA shall make a determination of all amounts anticipated as being required by TEXARKANA for items (1), (2), (3) and (4) of paragraph (a), such amounts to form the basis of a minimum monthly payment which shall be independent of the amount of water actually delivered to DE KALB by TEXARKANA.

(e) The determination called for in paragraph (d) above shall be made no later than the 15th day of May of the year next succeeding that in which water may be made available to DE KALB and shall relate not only to the requirements of the balance of the fiscal year then in progress, if any, but also to the requirements of the next succeeding fiscal year.

(f) Determinations similar to that described in paragraph (d) shall be made annually thereafter on or prior to the 10th day of May each year with respect to the succeeding fiscal year.

(g) Based upon the aforementioned determinations and within ten (10) days thereafter, the governing officials of the City of TEXARKANA shall cause to be prepared and its City Council shall preliminarily approve a budget reflecting all items which shall make up the total requirements attributable to COMPANY facilities and which must be provided for in the ensuing fiscal year or, if appropriate, the balance of the then current fiscal

year. As regards water taken by DE KALB over and above that to which it shall be entitled for the minimum monthly payment, it is agreed that in the preparation of each annual budget TEXARKANA shall make and present calculations relating to the charges estimated to be required for delivery of such additional water in the succeeding fiscal year, in like manner as herein stated with respect to annual budget procedures and the determination of minimum monthly payments. The Board of Directors of COMPANY shall be furnished a copy of such budget within seven (7) days after its preliminary approval by the TEXARKANA City Council and COMPANY may indicate exceptions or suggestions, if any, within ten (10) days after receipt. Due consideration shall be given any exception or suggestion made by COMPANY'S Board of Directors and shall be incorporated insofar as consistent with TEXARKANA'S rights and obligations under its Water System Agreement with COMPANY, its rights and obligations under its contract with all contracting cities including DE KALB, and consistent with its Lake Texarkana storage space contract with the United States Government. If for any reason it becomes apparent that the amount of any minimum or other payment made or to be made to TEXARKANA by DE KALB under an annual budget previously adopted is either insufficient or excessive, the parties agree that such shall be taken into consideration in the preparation of the succeeding year's budget and the amounts therein provided for charge to DE KALB adjusted up or down accordingly. Reasons for any increase or decrease in such charges shall be set forth by TEXARKANA in the succeeding year's budget. Among other features the budget aforementioned shall contain schedules of the minimum monthly payments to be made by each city contracting

with TEXARKANA to TEXARKANA each month during the budget year. So long as COMPANY bonds issued to provide COMPANY facilities herein referred to or any interest thereon remain outstanding and unpaid, and beginning with payments which shall become due on the 1st day of the sixth month next preceding the first month in which COMPANY shall be obligated to pay interest, and on the 1st day of each month thereafter, the scheduled minimum monthly payments shall contain not less than an amount equal to one-sixth (1/6) of the next succeeding installment of interest, and, in addition, beginning on the 1st day of the twelfth month next preceding the first month in which COMPANY shall be obligated to pay principal, and on the 1st day of each month thereafter, not less than one-twelfth (1/12) of the next succeeding installment of principal of all COMPANY bonds. Further, paying agent and other bond service charges shall be included in the scheduled monthly payments in such manner as will permit TEXARKANA to forward COMPANY all amounts required for satisfying and discharging COMPANY'S bond obligations in due and proper time.

(h) The budgeted amounts for which each contracting city, including DE KALB and TEXARKANA, shall be obligated as minimum monthly payments shall be computed upon the percentage that the amount of water to be made available by TEXARKANA to each such contracting city for its minimum monthly payments shall bear to the amount of water to be made available by TEXARKANA to all contracting cities, including DE KALB and TEXARKANA, for minimum monthly payments during the budget year.

(i) It is agreed and understood that TEXARKANA will prepare and furnish DE KALB monthly bills or statements for all amounts reflected as being required under the provisions

of TEXARKANA'S then current budget arrangements (supplemented if necessary) so that same shall be received by DE KALB on or prior to the 1st day of the month in which the bill shall be payable. Bills shall be payable no later than the 15th day of the month in which payable and DE KALB agrees it will promptly remit to TEXARKANA all amounts as billed so as to reach it on or before that day. The first billing shall be made so as to become payable on the 15th day of the second month next succeeding the first month TEXARKANA City Council determinations are made in accordance with the provisions hereof.

(j) Should DE KALB fail to make any payments at the times herein specified, interest on such amounts shall accrue at the rate of six per centum (6%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, TEXARKANA may, at its option, discontinue delivery of the water to DE KALB until the amount due TEXARKANA is paid in full with interest as herein specified. Such discontinuance shall not relieve DE KALB of its obligation to make the payments required by this Section.

SECTION 2: Water Quality.

Water delivered under this contract shall be of the same quality as that distributed by TEXARKANA to its own consumers and customers. Furthermore, TEXARKANA agrees to operate the treatment and transmission facilities in such manner as will assure the approval of the Health Department of the State of Texas.

SECTION 3: Point of Delivery.

The point of delivery of the aforementioned water to DE KALB shall be at a ground storage tank situated on a site in the W. L. Browning HRS and the T. L. Cowan HRS, said site being south of and fronting on S.W. Front Street, City of De Kalb, the N.E. Corner of which is West approximately 100 feet from the West R.O.W. line of Texas F.M. Hwy. No. 1840 in the City of De Kalb, Bowie County, Texas.

SECTION 4: Water Measurement.

(a) Pursuant to its contract with TEXARKANA, COMPANY shall furnish and install at said point of delivery a master meter of standard type for measuring properly the quantity of water delivered DE KALB under this contract, such to be operated and maintained by and at the expense of TEXARKANA. Both TEXARKANA and DE KALB shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by employees or agents of TEXARKANA. TEXARKANA shall keep a true record of all meter readings as transcribed from reports of its employees or agents with respect thereto. TEXARKANA shall give DE KALB such information as it may request from TEXARKANA'S journals or record books or permit DE KALB and its agents to have access to same during business hours.

(b) TEXARKANA shall calibrate (or arrange for calibration of) its metering equipment as often as it considers necessary and at such time as DE KALB may show reasonable evidence of error. If, upon any test, the percentage of any inaccuracy thereof is found to be in excess of 2%, registration thereof shall be corrected for a period extending back to the time such inaccuracy began, if such time is ascertainable, and

if not, then for a period extending back one-half of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. In the event

DE KALB has provided no check meter with reference thereto and if for any reason any master meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meter is out of service or out of repair shall be agreed upon by the parties hereto, by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculations, or by estimating the quantity of water by the deliveries made during preceding periods under similar conditions when the meter was registering accurately.

SECTION 5: Contract Term - DE KALB'S Rights at End of Term.

This contract and the obligation of DE KALB to promptly make all prescribed monthly payments shall continue for the period that any of COMPANY'S bonds supported by said payments and issued to finance COMPANY facilities are outstanding and unpaid. At the end of such term, and when all such bonds and interest thereon have been paid or discharged, or when firm banking arrangements have been established to that end, TEXARKANA agrees DE KALB shall have the right to an extension of the term of this contract beyond such initial period under such arrangements as shall be agreed upon between TEXARKANA and DE KALB at the time, taking into consideration any change in quantity desired by DE KALB, the availability thereof and the costs involved in making deliveries to DE KALB. Determinations of charges shall then be made as herein provided for the original

term except that the COMPANY bond requirements shall not be involved as a factor.

SECTION 6: Modification of Provisions.

This contract may be changed and modified only with the consent of the governing bodies of both TEXARKANA and DE KALB. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by DE KALB under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any of the provisions of the resolutions authorizing the issuance of COMPANY'S bonds or any indentures securing such bonds. If for any reason DE KALB may desire the construction of any additional facilities over and above those now contemplated and provided same are within the legal and economic capabilities of TEXARKANA, provision therefor shall be made by means of a supplement or amendment hereto, the terms of which are to be negotiated between the parties. Should TEXARKANA desire to construct any such additional facilities, either for the purpose of meeting its obligations to DE KALB, or for other reasons, TEXARKANA shall not proceed with any work on such facilities, other than preliminary planning, without following the procedures described in this Section 6.

SECTION 7: Regulatory Provisions.

This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the

United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 8: Sales or Use Taxes.

In the event any sales or use taxes, or taxes of any similar nature, are hereafter imposed upon the gathering, taking, sale, use or consumption of the water received by DE KALB under this contract, the amount of such taxes shall be borne by DE KALB, in addition to all other charges, and whenever TEXARKANA shall be required to pay, collect, or remit any such taxes on water received by DE KALB, then DE KALB shall promptly reimburse TEXARKANA therefor.

SECTION 9: Unit of Measurement.

The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

SECTION 10: Title to Water.

Title to all water supplied under this agreement shall remain in TEXARKANA to the point of delivery, and upon passing through the meter installed at that point, title to the water shall pass to DE KALB. Each party hereto agrees to save and hold the other harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, delivery and disposal of said water while title remains in such party.

SECTION 11: Easements.

DE KALB agrees that TEXARKANA may have and assign to COMPANY such easements over any easements, right of way or property held by DE KALB so that the COMPANY

facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 12: Nature of DE KALB'S Obligation -
Not Payable by Taxation.

(a) The payments required to be made by DE KALB under the terms of Section 1 hereof shall be due and payable as therein specified in any and all events and regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the construction program and regardless of whether the facilities shall have been wholly or partially destroyed or damaged, and regardless of whether TEXARKANA shall have tendered water to DE KALB. The agreements of DE KALB to make the payments required are separate and independent covenants and DE KALB shall have no right of set-off, recoupment or counterclaim. The foregoing provisions of this paragraph, however, shall not apply (1) to any payments under Section 1 in respect of any period during which DE KALB shall not be tendered any water by the wrongful affirmative act of TEXARKANA; (2) to any payments in respect of any period during which TEXARKANA shall refuse to continue arrangements under its contract with COMPANY for completion of the facilities through its wrongful affirmative act. TEXARKANA shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Any obligations assumed or imposed on DE KALB hereunder shall never be construed as a debt of DE KALB of any kind as to require it under the Constitution and laws of this State to levy and collect taxes to discharge such obligation, it being expressly understood by the parties hereto that the funds required for all payments due by DE KALB are to

be collected from the sources referred to in the next succeeding Section 13. DE KALB agrees to operate and maintain its water system in such manner and to make such charges for the water and services supplied thereby to all consumers so that the revenues derived therefrom will always be adequate to enable DE KALB to promptly make all payments due TEXARKANA under the provisions of this agreement. All payments so made shall be deemed expenses of maintaining and operating the DE KALB water system.

(b) It is understood that at this time TEXARKANA is not in position to guarantee the construction of the improvements, extensions and betterments to COMPANY facilities or the date on which water may first be made available to DE KALB. TEXARKANA agrees, however, to make diligent efforts to provide the additional facilities through its contract with COMPANY, but is not to be liable to DE KALB for any damages occasioned by delay unless such is attributable to the fault of TEXARKANA. It is further understood that any obligation on the part of TEXARKANA is conditioned upon the successful sale of COMPANY bonds in the amounts required to provide the improvements, extensions and betterments to its present facilities in order to make possible delivery of water to DE KALB under this contract.

SECTION 13: Priority of TEXARKANA'S Charges - DE KALB to Fix Adequate Rates.

(a) DE KALB represents and covenants that all payments to be made hereunder shall constitute "operating expenses" of its Waterworks System with the effect that the obligation to make such payments from its Waterworks revenues under this contract shall be an operating expense as defined by Article 1113 of the Revised Civil Statutes of Texas, 1925, as amended.

(b) DE KALB further agrees to fix and collect such rates and charges for water services to its customers as will, in combination with any other funds legally available and reasonably assured for the purpose, make possible the prompt payment of all expenses of operating and maintaining its Water System and all payments contracted hereunder.

SECTION 14: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this agreement, other than the obligation of DE KALB to make the payments required under the terms of Section 1 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure", shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of public enemy, orders or actions of any kind of the Government of the United States or of the State of Texas, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, or canals or other structures or machinery, partial or entire failure of water supply and inability on the

part of TEXARKANA to deliver water hereunder, or of DE KALB to receive water, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of TEXARKANA to meet any obligation by reason of force majeure shall relieve DE KALB from its obligations to make the payments required under the terms of Section 1 hereof.

(b) No damage shall be recoverable from TEXARKANA by reason of the suspension of delivery of water due to any of the causes above mentioned. If TEXARKANA'S ability to deliver water to DE KALB is affected by any of such causes, TEXARKANA shall promptly notify DE KALB in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption. If the supply of water available to TEXARKANA is insufficient for any reason to serve the requirements of all of its customers, then the available amount of water will be allocated by TEXARKANA so as to meet the requirements of its various customers in accordance with their respective needs.

(c) It is expressly recognized by DE KALB that TEXARKANA may be compelled to make necessary alterations, repairs or extensions of new or additional water transporting facilities from time to time during the life of this contract and any suspension of delivery to DE KALB due to such operation shall

not be cause for claim of damage on part of TEXARKANA provided all reasonable effort is used by TEXARKANA to provide DE KALB with water in accordance with this contract. In such case TEXARKANA shall give DE KALB as much advance notice as may be practicable of the suspension of delivery and of the estimated duration thereof.

SECTION 15: Notices.

Any notice, request, demand, statement, or bill provided for in this agreement shall be in writing and shall be considered to have been duly delivered when sent by registered mail, addressed to the City Secretary, City Hall, Texarkana, Texas, or to the City Secretary, City Hall, DE KALB, Texas, as the case may be, except that routine communications may be sent by ordinary mail and except that either party may, by the filing of an appropriate written notice to the other, specify some other individual to whom communications thereafter are to be addressed.

SECTION 16: Severability.

The parties hereto agree that if any of the provisions of this contract contravene or be held invalid under the laws of this State, same shall not invalidate the whole agreement but it shall be construed as though not containing that particular provision and the rights and obligations of the parties shall be construed and in force accordingly.

SECTION 17: Pledge.

It is recognized that the proceeds of this contract are to be pledged by TEXARKANA under its Water System Agreement with COMPANY for the payment of COMPANY bonds and in such respect DE KALB agrees that COMPANY may enforce any obligations owed

it by TEXARKANA should TEXARKANA for any reason fail to pursue appropriate remedies against DE KALB for the enforcement of the payments which are to be derived for the payment of COMPANY indebtedness.

SECTION 18: Services by DE KALB Outside Its Limits.

The parties agree that rates charged by DE KALB for water supplied areas and customers outside its corporate limits may be greater than those charged for water supplied within its limits. DE KALB, however, agrees to submit all such rate schedules to TEXARKANA and COMPANY.

SECTION 19: Acknowledgment and Acceptance by DE KALB of TEXARKANA-COMPANY Water System Agreement.

DE KALB acknowledges that it has been furnished a copy of the Water System Agreement proposed between TEXARKANA and COMPANY, understands the provisions thereof and their effect upon DE KALB, including, without limitation, those relating to the right and obligation of COMPANY, upon default by TEXARKANA, to take over, operate and maintain all facilities and otherwise perform all other functions of TEXARKANA in the event COMPANY shall become repossessed of such facilities under the vendor's lien retained in the conveyances to TEXARKANA, including, further, its obligation thereupon to make budget determinations and billings for water services under the procedures hereinabove set forth with relation to the same subjects while the facilities are under TEXARKANA'S possession and control.

SECTION 20: Advisory Committee.

Concurrently with the execution of this contract DE KALB will appoint one of the members of its governing body or one of its officers or employees as a member of an Advisory

Committee which will be composed of one member appointed by each City which may contract with TEXARKANA for a water supply. The function of this Committee will be to consult and advise with representatives of TEXARKANA concerning future plans for expansion, methods for improved service, and other matters of mutual interest. Said Committee may make recommendations with reference to any related matters to the TEXARKANA City Council. TEXARKANA shall keep the Committee advised as to current status of financing, planning, construction and operation of the water supply facilities.

SECTION 21: DE KALB'S Future Interest in Facilities.

It is agreed by TEXARKANA that at such time as all bonds or other indebtedness incurred in connection with the acquisition and construction of System facilities by COMPANY have been fully paid and discharged, TEXARKANA will, upon DE KALB'S request, convey to DE KALB an undivided interest in such facilities equal to that percentage which the amount paid by DE KALB under this contract applied in discharging principal of bond obligations issued by COMPANY bears to the amount paid by all other contracting municipalities, including TEXARKANA, which has been applied in discharging principal of bond obligations issued by COMPANY, each of whom shall be entitled to a like conveyance representing their proportionate contributions of like nature during the period aforementioned. In this connection it is understood that TEXARKANA, Texas, on behalf of itself and Texarkana, Arkansas, shall, prior to crediting it with the amounts as above provided, first have credit on COMPANY books for the amount derived from those two Cities and employed in discharging principal of the bond obligations of Texarkana Water Supply Corporation prior to its merger with COMPANY. At the time of any

conveyance under the foregoing provisions, the parties agree that they will, by revision or modification of this contract, provide appropriate arrangements for the continued operation and maintenance of the facilities according to circumstances at the time. It is further provided that should the facilities ever be sold to any other person or corporation, DE KALB shall be paid a percentage of the money received, arrived at in the same manner as aforementioned with regard to possible conveyances, provided that the System shall not be sold at any time during which the aforementioned COMPANY bonds or any interest thereon are outstanding and unpaid unless provision for discharge thereof has been made under firm banking arrangements.

SECTION 22: Specially Constructed Facilities to be Paid for Exclusively by Those Benefiting.

It is understood that COMPANY may be called upon to finance and construct some facilities which will be for the exclusive benefit of one or more contracting cities and that in such event all of the related costs will be billed to and collected only from the benefiting city or cities independent of the arrangements indicated herein which apply to all contracting cities. Also, that in such event none of the amounts paid by any city for facilities benefiting it exclusively shall be credited to that city in arriving at its future interest in the facilities constructed for the benefit of all.

SECTION 23: TEXARKANA'S Obligations to Others.

DE KALB hereby acknowledges its awareness of TEXARKANA'S obligations to continue to supply through its own System the water needs of Texarkana, Arkansas, and is further aware of the terms of the contract between those two Cities

including the water priorities therein established for them; also that other area cities will execute contracts with TEXARKANA for water at the same price and otherwise under essentially the same terms as this contract, the others currently thus involved being Avery, Annona, Hooks, Maud, New Boston and Wake Village, Texas. DE KALB further acknowledges that by means of facilities which may hereafter be provided by COMPANY or in some other manner for the treatment and transportation of water from the TEXARKANA supply, the Cities of Atlanta, Bloomburg, Leary, Nash, Douglassville, /Linden, Naples, /Omaha and Queen City, Texas, may receive water therefrom under appropriate contractual arrangements and that, in such event, TEXARKANA'S obligation to those Cities will be of the same nature as that to the area Cities first named, including DE KALB insofar as participation in the then available supply is concerned.

SECTION 24: TEXARKANA'S Obligation to Make Water Payments.

TEXARKANA agrees that the provisions hereof relating to computations of minimum monthly payments, payments for additional water, budget determinations, water measurements and all other features which relate to making water payments shall apply to TEXARKANA in like manner as any other contracting municipality and shall be obligations of TEXARKANA with respect to water received by it for itself or Texarkana, Arkansas, through COMPANY-constructed facilities and to the same extent and with like effect as the same features are herein provided as obligations of DE KALB.

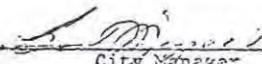
SECTION 25: Effective Date.

This contract shall not become effective until

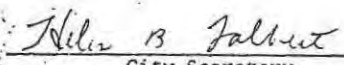
but shall become effective upon the same date upon which the Water System Agreement between TEXARKANA and COMPANY shall be effective.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

CITY OF TEXARKANA, TEXAS

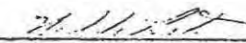
By 
City Manager

ATTEST:

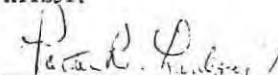

City Secretary

(Seal)

CITY OF DE KALB

By 
Mayor

ATTEST:


City Secretary

(Seal)

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS }
COUNTY OF BOWIE }
CITY OF TEXARKANA }

I, the undersigned, City Secretary of the City of
Texarkana, Texas, DO HEREBY CERTIFY that the above and foregoing
is a true and correct copy of a "Water Supply Contract" between
the City of DeKalb, Texas, and the City of Texarkana,
Texas, dated the 24th day of June, 1969.

IN WITNESS WHEREOF, I have hereunto set my official
signature and affixed the seal of said City, this the 30th
day of September, 1969.

John B. Talbot
City Secretary, City of Texarkana, Texas

(City Seal)

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS }
COUNTY OF BOWIE }
CITY OF DE KALB }

I, the undersigned, City Secretary of the City of
DeKalb, Texas, DO HEREBY CERTIFY that the above and fore-
going is a true and correct copy of a "Water Supply Contract"
between the City of DeKalb, Texas, and the City of
Texarkana, Texas, dated the 24th day of June, 1969.

IN WITNESS WHEREOF, I have hereunto set my official
signature and affixed the seal of said City, this the 14
day of October, 1969.



City Secretary, City of De Kalb
Texas

(City Seal)

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DeKalb, TEXAS:

THAT the Mayor be and he is hereby authorized and directed to prepare, or cause to be prepared, and to execute an "Application for a Term Permit Based on a Contract", which said contract, designated "Water Supply Contract" was made and entered into between the City of DeKalb, Texas, and the City of Texarkana, Texas, as of the 24th day of June, 1969. That the Mayor be further authorized and directed to provide the Texas Water Rights Commission the amount of such statutory fees as shall be required in connection with filing the aforementioned application. It is understood that all the actions aforementioned are to be taken in accordance with the requirements of law and the rules and regulations of the Texas Water Rights Commission relating thereto.

The said Mayor or other City official, the City's engineers, attorneys or financial representatives are authorized to represent the City in connection with the aforementioned application as the circumstances may indicate.

The above resolution having been presented, Mr. Fred Williams made a motion for its adoption. Thereupon, Mr. Dr. H. D. Miller seconded the motion, and the question being called for, said resolution was adopted by the following vote:

AYES: 4

NOES: 0

The Mayor announced that the motion was carried and the resolution was duly adopted.

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of an excerpt from the Minutes of a meeting of the City Council of the City of DeKalb, Texas, held on the 13 day of October, 1969, as shown by the records of the City on file in my office.

WITNESS MY HAND and the seal of the City of DeKalb, Texas, this the 14 day of October, 1969.

Parker R. Lusk
City Secretary, City of DeKalb,
Texas

(City Seal)

APPLICATION FOR A TERM PERMIT BASED ON A CONTRACT

(This form is to be used only by applicants who propose to use water
 (a) where the source of supply is water lawfully held or stored in
 another permittee's reservoir, (b) the authorized purpose of use of
 the stored water is the same as that proposed by the applicant, and
 (c) where a written agreement has been entered into with the owner
 of the reservoir for an interest equal to that proposed in this ap-
 plication.)

APPLICATION NO: _____ DATE RECEIVED: _____

HEARING SET FOR: _____ DATE ORDERED FILED: _____

FEES RECEIVED: _____ NOTICE SENT OR PUBLISHED: _____

 (Do not write above this line - for Texas Water Commission use only)

1. Personal Data of ApplicantA. Name: City of DeKalb, TexasB. Address: DeKalb, Bowie, Texas
 (Street or RFD No.) (City) (County) (State)C. Drawer
~~Post Office Box~~ No. 638 Telephone No. 667-24102. General Information

A. Amount and Purpose of Use:

Acre-Feet Per Annum	Purpose of Use
<u>470.94 acre-feet</u>	<u>Municipal</u>
<u>acre-feet</u>	<u></u>
<u>acre-feet</u>	<u></u>

B. Source of Supply:

- (1) Name of Reservoir: Texarkana Reservoir
- (2) Location of Reservoir: Approximately 10.0 miles
 in a Southwesterly direction from the City of Texarkana,
Texas and on the Sulphur (River)
 (Stream), which is a tributary of the Red
River Watershed.

_____ Original Survey, Abstract No. _____
 _____ County, Texas. (If land is located
 in more than one survey give name and number of each
 survey in which land lies.)

3. Contract Information

This application is accompanied by a certified copy of a contract entered into by the applicant and the owner of the source of supply which contract specifies the following:

- (A) Cost to applicant per acre-foot of water;
- (B) Length of time contract will remain in force;
- (C) Specifies that the applicant must secure a valid permit for the use of the water before delivery will be made of any water called for under the terms of the contract;
- (D) Is duly executed by both the applicant and the supplier of water.

Witness _____ My _____ hand at _____ DeKalb _____, Texas, this
 the _____ day of _____, 19 69.

James H. Williams
 Mayor, City of DeKalb, Texas

Subscribed and sworn to as being true and correct before me on
 this the _____ day of _____, 19 69.

Notary & Williams
 Notary Public
 _____ County, Texas

WATER SUPPLY CONTRACT

THE STATE OF TEXAS X
 X
 COUNTY OF BOWIE X

THIS CONTRACT, made and entered into this the 24th day of June, 1969, between the CITY OF TEXARKANA, TEXAS (hereinafter called "TEXARKANA"), a municipal corporation in Bowie County, Texas, acting under the laws of the State of Texas, and the CITY OF HOOKS, TEXAS (hereinafter called "HOOKS"), a municipal corporation in Bowie County, Texas, acting under the laws of the State of Texas,

W I T N E S S E T H :

WHEREAS, under arrangements with the United States Government TEXARKANA has been allowed storage space in Texarkana Reservoir in a manner which provides it with not to exceed 25,000 acre-feet of water per annum and which TEXARKANA is authorized to divert and use for municipal purposes under its Permit No. 1563a issued by the Board of Water Engineers of the State of Texas; and

WHEREAS, it has been determined that such water supply is sufficient to meet the municipal requirements of HOOKS and other area cities throughout the reasonably foreseeable future; and

WHEREAS, within the limits of the amounts which now are or which hereafter may be available to it for municipal purposes, TEXARKANA has agreed to supply the reasonable municipal requirements of such cities; and

WHEREAS, TEXARKANA has obtained from the Texas Water Rights Commission and now possesses Permit No. 1563b, by virtue of which it is authorized to divert and use for municipal purposes

an additional 20,000 acre-feet of water per annum (a total of 45,000 acre-feet) and for which, by contract with the United States Government and contingent upon the construction of Cooper Reservoir on the Sulphur River, TEXARKANA will possess storage space in Texarkana Reservoir, thus further insuring an adequate supply of water for all such cities; and

WHEREAS, HOOKS desires to obtain a reliable supply of surface water for its municipal requirements such as that which may be made available to it under arrangements hereinafter set forth; and

WHEREAS, TEXARKANA expects to enter into a Water Supply System Sale-Purchase-Financing Agreement (hereinafter referred to as "Water System Agreement") with LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter referred to as the "COMPANY") by the terms of which COMPANY will construct certain improvements, extensions and betterments to its present water treatment and transportation facilities (hereinafter referred to collectively as "COMPANY facilities"), which will provide the means of treating and transporting water to HOOKS from the Lake Texarkana supply, TEXARKANA to take possession of and maintain and operate all COMPANY facilities upon completion of the aforementioned improvements, extensions and betterments; and

WHEREAS, by the terms of said Water System Agreement COMPANY will issue and sell its bonds in a principal sum adequate to (a) discharge any COMPANY indebtedness, including bonds previously issued, for water treatment and transporting facilities heretofore constructed if, in the opinion of its financial consultants, it is necessary to do so in order to more advantageously finance anticipated improvements to such facilities; and (b) as supplemented by a \$3,000,000 grant contracted to COMPANY by the

United States of America, Secretary of Housing and Urban Development, provide sums required to construct the aforementioned improvements now anticipated for delivery of treated water to area cities including HOOKS ; and

WHEREAS, HOOKS understands that COMPANY bonds issued in financing COMPANY facilities will be payable from revenues received by COMPANY from TEXARKANA pursuant to said Water System Agreement between said COMPANY and TEXARKANA; further that certain of the amounts pledged by TEXARKANA to meet its said obligations to COMPANY are to be derived from this Water Supply Contract between HOOKS and TEXARKANA, thus constituting a basis for COMPANY credit in financing COMPANY facilities including those necessary in providing the means of treating and transporting water to HOOKS under this contract; and

WHEREAS, both HOOKS and TEXARKANA, acting through their duly constituted governing bodies, had mutually agreed upon the terms and conditions of this contract;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings herein set forth, the parties hereto agree and contract as follows:

SECTION 1: Quantity of Water - Water Charges.

(a) Upon the effective date of this contract TEXARKANA shall proceed as promptly as possible in performing its obligations under its Water System Agreement with COMPANY in order that COMPANY may construct the improvements, extensions and betterments to its present facilities which will offer HOOKS the means of receiving water under this contract. Upon completion and acceptance of such facilities TEXARKANA will make available to HOOKS at the point of delivery hereinafter specified treated water in an amount not to exceed 162.8 million gallons

per year to be delivered at the rate of not to exceed .446 million gallons per day. TEXARKANA represents that the COMPANY-constructed system capacity will permit the delivery aforementioned. Out of the total amount of water to be made available to HOOKS it shall be entitled to take and receive within the maximum daily rate of delivery above specified an amount not to exceed 81.4 million gallons per year, for which HOOKS agrees to make the minimum monthly payments hereinafter provided. For all amounts which it shall take within the maximum amount available for it but in excess of that to which it shall be entitled for the minimum monthly payments, HOOKS agrees to pay such rates or charges reasonably determined by TEXARKANA as those required to provide all costs incurred in the delivery of such water. TEXARKANA agrees to undertake to supply

HOOKS water over and above the 162.8 million gallons per year first above mentioned as available to it under this agreement should the need arise and in that event and if such water cannot be delivered within the then existing system capacity, arrangements shall be accomplished by modification of the terms of this agreement as provided in Section 6 hereof. For purposes of arriving at the computations relating to price determinations TEXARKANA agrees there shall be made available for the use of itself and Texarkana, Arkansas, jointly treated water in an amount not to exceed 6,334.2 million gallons per year to be delivered at the rate of not to exceed 17.34 million gallons per day and that within said daily rate and out of said total annual availability it shall be entitled to take for their joint use an amount not to exceed 3,167.1 million gallons per year for minimum monthly payments arrived at in the same manner as

herein provided for HOOKS' minimum monthly payments and as will be provided for in all contracts with other area cities. The provisions hereof relating to taking and paying for water which may be received over and above that allowed for the minimum monthly payments shall be fully applicable to TEXARKANA. HOOKS agrees that as consideration for TEXARKANA'S undertakings, and regardless of the actual quantity of water delivered, during the period that COMPANY'S bonds issued to provide and construct COMPANY facilities or any interest on such bonds are outstanding and unpaid, it will make "minimum monthly payments" to TEXARKANA adequate to discharge its pro rata part of the following items:

(1) All amounts required for amortization of COMPANY facilities, including all bonds and additional bonds required to provide and complete the facilities as planned issued by COMPANY pursuant to the terms and conditions of its bond authorizing resolutions and including, without limitation, the payment of all principal and interest, fees and charges of paying agents, and for the maintenance of any reserve, contingency or other funds specified by COMPANY'S resolutions relating to its bonds issued for providing and constructing the COMPANY facilities. The COMPANY resolutions aforementioned, their provisions and the terms and conditions of the Water System Agreement between TEXARKANA and COMPANY are fully recognized by HOOKS in connection with its obligations to TEXARKANA hereunder. It is expressly understood, however, that after COMPANY bonds and all interest thereon

have been completely paid and discharged, the provisions of this item (1) shall no longer apply in the computation of minimum monthly payments.

(2) All amounts for which TEXARKANA may be obligated under its water storage contract with the United States Government after deducting therefrom such sums as are derived for this purpose under contracts between TEXARKANA and industrial users.

(3) All amounts reasonably required by TEXARKANA for the maintenance, operation and administration of all those properties and facilities which are received by it under contract with COMPANY. In computing the actual operating and maintenance costs of the facilities to be paid by TEXARKANA there shall be deducted any costs included therein for operating and maintaining facilities which may be provided for the delivery of industrial water out of that permitted for industrial purposes under TEXARKANA'S water permit. It is understood that at this time none of the facilities herein referred to are provided for the delivery of untreated or industrial water, but it is the intent of the parties that should the facilities be used for that purpose in the future, the charges made to the industry shall include the pro rata part of the operating and maintenance expense of the facilities in the same manner as the pro rata costs of maintaining and operating the facilities are computed for HOOKS. In order to determine the actual costs of operating and maintaining the facilities for the purpose of computing

the amount to be paid by . . . HOOKS , TEXARKANA agrees that it will keep detailed and accurate accounts showing all direct expenses of operation and maintenance including labor and materials chargeable to the source of supply, power and pumping, purification and transmission. In addition, indirect expenses such as insurance, administration and supervision, transportation clearing account, general administrative expenses including labor and supplies, telephone and telegraph expense, rents, and all other overhead expenses shall be accounted for and allocated to operation and maintenance of the facilities. Such allocation shall be made by TEXARKANA based on a detailed study which the City shall cause to be made by an independent accountant. All figures and data used in the making of such computation shall be made available for the information of HOOKS at any reasonable time.

(4) All amounts reasonably required to pay COMPANY administration expenses attributable directly to its activities under the Water System Agreement between COMPANY and TEXARKANA.

(b) HOOKS agrees to pay in monthly installments all requirements aforementioned and to promptly pay as billed all monthly sums required to meet its pro rata part of the items set forth in subparagraph (a)(1) of this Section 1 relating to COMPANY bond requirements regardless of whether there are any other charges then due.

(c) Operation of COMPANY facilities shall conform to a fiscal or budget year beginning October 1st of each year and ending September 30th of the following year.

(d) On or prior to the 15th day of the second month preceding that in which COMPANY'S consulting engineers shall indicate that water may be made available for HOOKS' use, the governing officials of TEXARKANA shall make a determination of all amounts anticipated as being required by TEXARKANA for items (1), (2), (3) and (4) of paragraph (a), such amounts to form the basis of a minimum monthly payment which shall be independent of the amount of water actually delivered to HOOKS by TEXARKANA.

(e) The determination called for in paragraph (d) above shall be made no later than the 15th day of May of the year next succeeding that in which water may be made available to HOOKS and shall relate not only to the requirements of the balance of the fiscal year then in progress, if any, but also to the requirements of the next succeeding fiscal year.

(f) Determinations similar to that described in paragraph (d) shall be made annually thereafter on or prior to the 10th day of May each year with respect to the succeeding fiscal year.

(g) Based upon the aforementioned determinations and within ten (10) days thereafter, the governing officials of the City of TEXARKANA shall cause to be prepared and its City Council shall preliminarily approve a budget reflecting all items which shall make up the total requirements attributable to COMPANY facilities and which must be provided for in the ensuing fiscal year or, if appropriate, the balance of the then current fiscal

year. As regards water taken by HOOKS over and above that to which it shall be entitled for the minimum monthly payment, it is agreed that in the preparation of each annual budget TEXARKANA shall make and present calculations relating to the charges estimated to be required for delivery of such additional water in the succeeding fiscal year, in like manner as herein stated with respect to annual budget procedures and the determination of minimum monthly payments. The Board of Directors of COMPANY shall be furnished a copy of such budget within seven (7) days after its preliminary approval by the TEXARKANA City Council and COMPANY may indicate exceptions or suggestions, if any, within ten (10) days after receipt. Due consideration shall be given any exception or suggestion made by COMPANY'S Board of Directors and shall be incorporated insofar as consistent with TEXARKANA'S rights and obligations under its Water System Agreement with COMPANY, its rights and obligations under its contract with all contracting cities including HOOKS, and consistent with its Lake Texarkana storage space contract with the United States Government. If for any reason it becomes apparent that the amount of any minimum or other payment made or to be made to TEXARKANA by HOOKS under an annual budget previously adopted is either insufficient or excessive, the parties agree that such shall be taken into consideration in the preparation of the succeeding year's budget and the amounts therein provided for charge to HOOKS adjusted up or down accordingly. Reasons for any increase or decrease in such charges shall be set forth by TEXARKANA in the succeeding year's budget. Among other features the budget aforementioned shall contain schedules of the minimum monthly payments to be made by each city contracting

with TEXARKANA to TEXARKANA each month during the budget year. So long as COMPANY bonds issued to provide COMPANY facilities herein referred to or any interest thereon remain outstanding and unpaid, and beginning with payments which shall become due on the 1st day of the sixth month next preceding the first month in which COMPANY shall be obligated to pay interest, and on the 1st day of each month thereafter, the scheduled minimum monthly payments shall contain not less than an amount equal to one-sixth (1/6) of the next succeeding installment of interest, and, in addition, beginning on the 1st day of the twelfth month next preceding the first month in which COMPANY shall be obligated to pay principal, and on the 1st day of each month thereafter, not less than one-twelfth (1/12) of the next succeeding installment of principal of all COMPANY bonds. Further, paying agent and other bond service charges shall be included in the scheduled monthly payments in such manner as will permit TEXARKANA to forward COMPANY all amounts required for satisfying and discharging COMPANY'S bond obligations in due and proper time.

(h) The budgeted amounts for which each contracting city, including HOOKS and TEXARKANA, shall be obligated as minimum monthly payments shall be computed upon the percentage that the amount of water to be made available by TEXARKANA to each such contracting city for its minimum monthly payments shall bear to the amount of water to be made available by TEXARKANA to all contracting cities, including HOOKS and TEXARKANA, for minimum monthly payments during the budget year.

(i) It is agreed and understood that TEXARKANA will prepare and furnish HOOKS monthly bills or statements for all amounts reflected as being required under the provisions

of TEXARKANA'S then current budget arrangements (supplemented if necessary) so that same shall be received by HOOKS on or prior to the 1st day of the month in which the bill shall be payable. Bills shall be payable no later than the 15th day of the month in which payable and HOOKS agrees it will promptly remit to TEXARKANA all amounts as billed so as to reach it on or before that day. The first billing shall be made so as to become payable on the 15th day of the second month next succeeding the first month TEXARKANA City Council determinations are made in accordance with the provisions hereof.

(j) Should HOOKS fail to make any payments at the times herein specified, interest on such amounts shall accrue at the rate of six per centum (6%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, TEXARKANA may, at its option, discontinue delivery of the water to HOOKS until the amount due TEXARKANA is paid in full with interest as herein specified. Such discontinuance shall not relieve HOOKS of its obligation to make the payments required by this Section.

SECTION 2: Water Quality.

Water delivered under this contract shall be of the same quality as that distributed by TEXARKANA to its own consumers and customers. Furthermore, TEXARKANA agrees to operate the treatment and transmission facilities in such manner as will assure the approval of the Health Department of the State of Texas.

SECTION 3: Point of Delivery.

The point of delivery of the aforementioned water to HOOKS shall be at a ground storage tank situated on a site in the H. H. Mitchell HRS, said site being approximately 0.59 Acres out of the James Lumbley Property, the south line of which lies North 258.7 feet from the North R.O.W. line of U.S. Hwy. 82 and the Southeast corner of which lies West 50 feet from the Northwest corner of the First Baptist Church property in Hooks, Texas.

SECTION 4: Water Measurement.

(a) Pursuant to its contract with TEXARKANA, COMPANY shall furnish and install at said point of delivery a master meter of standard type for measuring properly the quantity of water delivered HOOKS under this contract, such to be operated and maintained by and at the expense of TEXARKANA. Both TEXARKANA and HOOKS shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by employees or agents of TEXARKANA. TEXARKANA shall keep a true record of all meter readings as transcribed from reports of its employees or agents with respect thereto. TEXARKANA shall give HOOKS such information as it may request from TEXARKANA'S journals or record books or permit HOOKS and its agents to have access to same during business hours.

(b) TEXARKANA shall calibrate (or arrange for calibration of) its metering equipment as often as it considers necessary and at such time as HOOKS may show reasonable evidence of error. If, upon any test, the percentage of any inaccuracy thereof is found to be in excess of 2%, registration thereof shall be corrected for a period extending back to the time such inaccuracy began, if such time is ascertainable, and

if not, then for a period extending back one-half of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. In the event

HOOKS has provided no check meter with reference thereto and if for any reason any master meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meter is out of service or out of repair shall be agreed upon by the parties hereto, by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculations, or by estimating the quantity of water by the deliveries made during preceding periods under similar conditions when the meter was registering accurately.

SECTION 5: Contract Term - HOOKS' Rights at End of Term.

This contract and the obligation of HOOKS to promptly make all prescribed monthly payments shall continue for the period that any of COMPANY'S bonds supported by said payments and issued to finance COMPANY facilities are outstanding and unpaid. At the end of such term, and when all such bonds and interest thereon have been paid or discharged, or when firm banking arrangements have been established to that end, TEXARKANA agrees HOOKS shall have the right to an extension of the term of this contract beyond such initial period under such arrangements as shall be agreed upon between TEXARKANA and HOOKS at the time, taking into consideration any change in quantity desired by HOOKS, the availability thereof and the costs involved in making deliveries to HOOKS. Determinations of charges shall then be made as herein provided for the original

term except that the COMPANY bond requirements shall not be involved as a factor.

SECTION 6: Modification of Provisions.

This contract may be changed and modified only with the consent of the governing bodies of both TEXARKANA and HOOKS . Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice.

At such joint meeting the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by HOOKS under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any of the provisions of the resolutions authorizing the issuance of COMPANY'S bonds or any indentures securing such bonds. If for any reason

HOOKS may desire the construction of any additional facilities over and above those now contemplated and provided same are within the legal and economic capabilities of TEXARKANA, provision therefor shall be made by means of a supplement or amendment hereto, the terms of which are to be negotiated between the parties. Should TEXARKANA desire to construct any such additional facilities, either for the purpose of meeting its obligations to HOOKS , or for other reasons, TEXARKANA shall not proceed with any work on such facilities, other than preliminary planning, without following the procedures described in this Section 6.

SECTION 7: Regulatory Provisions.

This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the.

United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 8: Sales or Use Taxes.

In the event any sales or use taxes, or taxes of any similar nature, are hereafter imposed upon the gathering, taking, sale, use or consumption of the water received by HOOKS under this contract, the amount of such taxes shall be borne by HOOKS, in addition to all other charges, and whenever TEXARKANA shall be required to pay, collect, or remit any such taxes on water received by HOOKS, then HOOKS shall promptly reimburse TEXARKANA therefor.

SECTION 9: Unit of Measurement.

The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

SECTION 10: Title to Water.

Title to all water supplied under this agreement shall remain in TEXARKANA to the point of delivery, and upon passing through the meter installed at that point, title to the water shall pass to HOOKS. Each party hereto agrees to save and hold the other harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, delivery and disposal of said water while title remains in such party.

SECTION 11: Easements.

HOOKS agrees that TEXARKANA may have and assign to COMPANY such easements over any easements, right of way or property held by HOOKS so that the COMPANY

facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 12: 'Nature of HOOKS' Obligation -
Not Payable by Taxation.

(a) The payments required to be made by HOOKS under the terms of Section 1 hereof shall be due and payable as therein specified in any and all events and regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the construction program and regardless of whether the facilities shall have been wholly or partially destroyed or damaged, and regardless of whether TEXARKANA shall have tendered water to HOOKS. The agreements of HOOKS to make the payments required are separate and independent covenants and HOOKS shall have no right of set-off, recoupment or counterclaim. The foregoing provisions of this paragraph, however, shall not apply (1) to any payments under Section 1 in respect of any period during which HOOKS shall not be tendered any water by the wrongful affirmative act of TEXARKANA; (2) to any payments in respect of any period during which TEXARKANA shall refuse to continue arrangements under its contract with COMPANY for completion of the facilities through its wrongful affirmative act. TEXARKANA shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Any obligations assumed or imposed on HOOKS hereunder shall never be construed as a debt of HOOKS of any kind as to require it under the Constitution and laws of this State to levy and collect taxes to discharge such obligation, it being expressly understood by the parties hereto that the funds required for all payments due by HOOKS are to

be collected from the sources referred to in the next succeeding Section 13. HOOKS agrees to operate and maintain its water system in such manner and to make such charges for the water and services supplied thereby to all consumers so that the revenues derived therefrom will always be adequate to enable HOOKS to promptly make all payments due TEXARKANA under the provisions of this agreement. All payments so made shall be deemed expenses of maintaining and operating the HOOKS water system.

(b) It is understood that at this time TEXARKANA is not in position to guarantee the construction of the improvements, extensions and betterments to COMPANY facilities or the date on which water may first be made available to HOOKS. TEXARKANA agrees, however, to make diligent efforts to provide the additional facilities through its contract with COMPANY, but is not to be liable to HOOKS for any damages occasioned by delay unless such is attributable to the fault of TEXARKANA. It is further understood that any obligation on the part of TEXARKANA is conditioned upon the successful sale of COMPANY bonds in the amounts required to provide the improvements, extensions and betterments to its present facilities in order to make possible delivery of water to HOOKS under this contract.

SECTION 13: Priority of TEXARKANA'S Charges - HOOKS to Fix Adequate Rates.

(a) HOOKS represents and covenants that all payments to be made hereunder shall constitute "operating expenses" of its Waterworks System with the effect that the obligation to make such payments from its Waterworks revenues under this contract shall be an operating expense as defined by Article 1113 of the Revised Civil Statutes of Texas, 1925, as amended.

(b) HOOKS further agrees to fix and collect such rates and charges for water services to its customers as will, in combination with any other funds legally available and reasonably assured for the purpose, make possible the prompt payment of all expenses of operating and maintaining its Water System and all payments contracted hereunder.

SECTION 14: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this agreement, other than the obligation of HOOKS to make the payments required under the terms of Section 1 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure", shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of public enemy, orders or actions of any kind of the Government of the United States or of the State of Texas, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, or canals or other structures or machinery, partial or entire failure of water supply and inability on the

part of TEXARKANA to deliver water hereunder, or of HOOKS to receive water, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of TEXARKANA to meet any obligation by reason of force majeure shall relieve HOOKS from its obligations to make the payments required under the terms of Section 1 hereof.

(b) No damage shall be recoverable from TEXARKANA by reason of the suspension of delivery of water due to any of the causes above mentioned. If TEXARKANA'S ability to deliver water to HOOKS is affected by any of such causes, TEXARKANA shall promptly notify HOOKS in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption. If the supply of water available to TEXARKANA is insufficient for any reason to serve the requirements of all of its customers, then the available amount of water will be allocated by TEXARKANA so as to meet the requirements of its various customers in accordance with their respective needs.

(c) It is expressly recognized by HOOKS that TEXARKANA may be compelled to make necessary alterations, repairs or extensions of new or additional water transporting facilities from time to time during the life of this contract and any suspension of delivery to HOOKS due to such operation shall

not be cause for claim of damage on part of TEXARKANA provided all reasonable effort is used by TEXARKANA to provide HOOKS with water in accordance with this contract. In such case TEXARKANA shall give HOOKS as much advance notice as may be practicable of the suspension of delivery and of the estimated duration thereof.

SECTION 15: Notices.

Any notice, request, demand, statement, or bill provided for in this agreement shall be in writing and shall be considered to have been duly delivered when sent by registered mail, addressed to the City Secretary, City Hall, Texarkana, Texas, or to the City Secretary, City Hall, Hooks, Texas, as the case may be, except that routine communications may be sent by ordinary mail and except that either party may, by the filing of an appropriate written notice to the other, specify some other individual to whom communications thereafter are to be addressed.

SECTION 16: Severability.

The parties hereto agree that if any of the provisions of this contract contravene or be held invalid under the laws of this State, same shall not invalidate the whole agreement but it shall be construed as though not containing that particular provision and the rights and obligations of the parties shall be construed and in force accordingly.

SECTION 17: Pledge.

It is recognized that the proceeds of this contract are to be pledged by TEXARKANA under its Water System Agreement with COMPANY for the payment of COMPANY bonds and in such respect HOOKS agrees that COMPANY may enforce any obligations owed

it by TEXARKANA should TEXARKANA for any reason fail to pursue appropriate remedies against HOOKS for the enforcement of the payments which are to be derived for the payment of COMPANY indebtedness.

SECTION 18: Services by HOOKS Outside Its Limits.

The parties agree that rates charged by HOOKS for water supplied areas and customers outside its corporate limits may be greater than those charged for water supplied within its limits. HOOKS, however, agrees to submit all such rate schedules to TEXARKANA and COMPANY.

SECTION 19: Acknowledgment and Acceptance by HOOKS of TEXARKANA-COMPANY Water System Agreement.

HOOKS acknowledges that it has been furnished a copy of the Water System Agreement proposed between TEXARKANA and COMPANY, understands the provisions thereof and their effect upon HOOKS, including, without limitation, those relating to the right and obligation of COMPANY, upon default by TEXARKANA, to take over, operate and maintain all facilities and otherwise perform all other functions of TEXARKANA in the event COMPANY shall become repossessed of such facilities under the vendor's lien retained in the conveyances to TEXARKANA, including, further, its obligation thereupon to make budget determinations and billings for water services under the procedures hereinabove set forth with relation to the same subjects while the facilities are under TEXARKANA'S possession and control.

SECTION 20: Advisory Committee.

Concurrently with the execution of this contract HOOKS will appoint one of the members of its governing body or one of its officers or employees as a member of an Advisory

Committee which will be composed of one member appointed by each City which may contract with TEXARKANA for a water supply. The function of this Committee will be to consult and advise with representatives of TEXARKANA concerning future plans for expansion, methods for improved service, and other matters of mutual interest. Said Committee may make recommendations with reference to any related matters to the TEXARKANA City Council. TEXARKANA shall keep the Committee advised as to current status of financing, planning, construction and operation of the water supply facilities.

SECTION 21: HOOKS' Future Interest in Facilities.

It is agreed by TEXARKANA that at such time as all bonds or other indebtedness incurred in connection with the acquisition and construction of System facilities by COMPANY have been fully paid and discharged, TEXARKANA will, upon HOOKS' request, convey to HOOKS an undivided interest in such facilities equal to that percentage which the amount paid by HOOKS under this contract applied in discharging principal of bond obligations issued by COMPANY bears to the amount paid by all other contracting municipalities, including TEXARKANA, which has been applied in discharging principal of bond obligations issued by COMPANY, each of whom shall be entitled to a like conveyance representing their proportionate contributions of like nature during the period aforementioned. In this connection it is understood that TEXARKANA, Texas, on behalf of itself and Texarkana, Arkansas, shall, prior to crediting it with the amounts as above provided, first have credit on COMPANY books for the amount derived from those two Cities and employed in discharging principal of the bond obligations of Texarkana Water Supply Corporation prior to its merger with COMPANY. At the time of any

conveyance under the foregoing provisions, the parties agree that they will, by revision or modification of this contract, provide appropriate arrangements for the continued operation and maintenance of the facilities according to circumstances at the time. It is further provided that should the facilities ever be sold to any other person or corporation, HOOKS shall be paid a percentage of the money received, arrived at in the same manner as aforementioned with regard to possible conveyances, provided that the System shall not be sold at any time during which the aforementioned COMPANY bonds or any interest thereon are outstanding and unpaid unless provision for discharge thereof has been made under firm banking arrangements.

SECTION 22: Specially Constructed Facilities to be Paid for Exclusively by Those Benefiting.

It is understood that COMPANY may be called upon to finance and construct some facilities which will be for the exclusive benefit of one or more contracting cities and that in such event all of the related costs will be billed to and collected only from the benefiting city or cities independent of the arrangements indicated herein which apply to all contracting cities. Also, that in such event none of the amounts paid by any city for facilities benefiting it exclusively shall be credited to that city in arriving at its future interest in the facilities constructed for the benefit of all.

SECTION 23: TEXARKANA'S Obligations to Others.

HOOKS hereby acknowledges its awareness of TEXARKANA'S obligations to continue to supply through its own System the water needs of Texarkana, Arkansas, and is further aware of the terms of the contract between those two Cities

including the water priorities therein established for them; also that other area cities will execute contracts with TEXARKANA for water at the same price and otherwise under essentially the same terms as this contract, the others currently thus involved being Avery, Annona, DeKalb, Maud, New Boston and Wake Village, Texas. HOOKS further acknowledges that by means of facilities which may hereafter be provided by COMPANY or in some other manner for the treatment and transportation of water from the TEXARKANA supply, the Cities of Atlanta, Bloomburg, Leary, Nash, Douglassville, /Linden, Naples, /Omaha and Queen City, Texas, may receive water therefrom under appropriate contractual arrangements and that, in such event, TEXARKANA'S obligation to those Cities will be of the same nature as that to the area Cities first named, including HOOKS insofar as participation in the then available supply is concerned.

SECTION 24: TEXARKANA'S Obligation to Make Water Payments.

TEXARKANA agrees that the provisions hereof relating to computations of minimum monthly payments, payments for additional water, budget determinations, water measurements and all other features which relate to making water payments shall apply to TEXARKANA in like manner as any other contracting municipality and shall be obligations of TEXARKANA with respect to water received by it for itself or Texarkana, Arkansas, through COMPANY-constructed facilities and to the same extent and with like effect as the same features are herein provided as obligations of HOOKS.

SECTION 25: Effective Date.

This contract shall not become effective until

but shall become effective upon the same date upon which the Water System Agreement between TEXARKANA and COMPANY shall be effective.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

CITY OF TEXARKANA, TEXAS

ATTEST:

By

[Signature]
City Manager

[Signature]
City Secretary

(Seal)

CITY OF HOOKS

ATTEST:

By

[Signature]
Mayor

[Signature]
City Secretary

(Seal)

APPLICATION FOR A TERM PERMIT BASED ON A CONTRACT

(This form is to be used only by applicants who propose to use water
 (a) where the source of supply is water lawfully held or stored in
 another permittee's reservoir, (b) the authorized purpose of use of
 the stored water is the same as that proposed by the applicant, and
 (c) where a written agreement has been entered into with the owner
 of the reservoir for an interest equal to that proposed in this ap-
 plication.)

APPLICATION NO: _____ DATE RECEIVED: _____

HEARING SET FOR: _____ DATE ORDERED FILED: _____

FEES RECEIVED: _____ NOTICE SENT OR PUBLISHED: _____

 (Do not write above this line - for Texas Water Commission use only)

1. Personal Data of ApplicantA. Name: City of Hooks, TexasB. Address: Avenue A & Front Street, Hooks, Bowie, Texas
 (Street or RFD No.) (City) (County) (State)C. Post Office Box. No. 37 Telephone No. 547-22612. General Information

A. Amount and Purpose of Use:

Acre-Feet Per Annum	Purpose of Use
<u>499.80</u> acre-feet	<u>Municipal</u>
_____ acre-feet	_____
_____ acre-feet	_____

B. Source of Supply:

(1) Name of Reservoir: Texarkana Reservoir

(2) Location of Reservoir: Approximately 10.0 miles
 in a Southwesterly direction from the ~~town~~ ^{City} of Texarkana,
Texas and on the Sulphur (River)
 (Stream), which is a tributary of the Red
River Watershed.

- (3) Name of Reservoir Owner: U. S. Corps of Engineers
- (4) Number(s) of Permit(s) or Certified Filing(s) held by owner of reservoir which authorize the amount(s) of water, purpose(s) and place(s) of use as proposed in this application: (Held by City of Texarkana, Texas)
1563; 1563a; and 1563b.

C. Method of Delivery:

- (1) When bed and banks of natural watercourse will be used to transit the waters: Name of watercourse to be used to transit waters: _____, a tributary of _____ (River), _____ Water-shed.
- (2) When bed and banks of natural watercourse will not be used to transport water from place of origin to terminus, specify exact means which will be used to deliver water to applicant: City of Texarkana, Texas, Pump Station No. 1 (existing), Bearing South 60 degrees West, 833 feet from the Northeast corner of M.E.P. and P.R.R. Company Survey, Abstract No. 422, Bowie County, Texas.

D. Diversion and Distribution Works:

- (1) Diversion will be at City of Texarkana, Texas Pump Station No. 1 (existing), located
~~(River) (Stream) a tributary of _____ River~~
 at a point approximately 9.5 miles in a South-westerly direction from the City of Texarkana, Texas, and at a maximum rate of 455 ~~gpm~~/cfs., or 204,218 gallons per minute.
- (2) Distribution will be by means of city's existing
system and improvements thereto now under construction.
- (3) Lands to be irrigated (if applicable): The total number of acres to be irrigated during the term of the contract will be _____ acres located in _____

_____ Original Survey, Abstract No. _____,
_____ County, Texas. (If land is located
in more than one survey give name and number of each
survey in which land lies.)

3. Contract Information

This application is accompanied by a certified copy of a contract entered into by the applicant and the owner of the source of supply which contract specifies the following:

- (A) Cost to applicant per acre-foot of water;
- (B) Length of time contract will remain in force;
- (C) Specifies that the applicant must secure a valid permit for the use of the water before delivery will be made of any water called for under the terms of the contract;
- (D) Is duly executed by both the applicant and the supplier of water.

Witness _____ My _____ hand at _____ Hooks _____, Texas, this
the 13 day of October, 19 69.

Mayor, City of Hooks, Texas

Jackie H. Brooks

Subscribed and sworn to as being true and correct before me on
this the 13 day of Oct., 19 69.

Jessie C. Arnold
Notary Public

Pottsville County, Texas

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOOKS, TEXAS:

THAT the Mayor be and he is hereby authorized and directed to prepare, or cause to be prepared, and to execute an "Application for a Term Permit Based on a Contract", which said contract, designated "Water Supply Contract" was made and entered into between the City of Hooks, Texas, and the City of Texarkana, Texas, as of the 24th day of June, 1969. That the Mayor be further authorized and directed to provide the Texas Water Rights Commission the amount of such statutory fees as shall be required in connection with filing the aforementioned application. It is understood that all the actions aforementioned are to be taken in accordance with the requirements of law and the rules and regulations of the Texas Water Rights Commission relating thereto.

The said Mayor or other City official, the City's engineers, attorneys or financial representatives are authorized to represent the City in connection with the aforementioned application as the circumstances may indicate.

The above resolution having been presented, Mr. White made a motion for its adoption. Thereupon, Mr. Duren seconded the motion, and the question being called for, said resolution was adopted by the following vote:

AYES: White, Duren, Sullivan, Brock, Whisenhunt

NOES:

The Mayor announced that the motion was carried and the resolution was duly adopted.

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of an excerpt from the Minutes of a meeting of the City Council of the City of Hooks, Texas, held on the 13th day of October, 1969, as shown by the records of the City on file in my office.

WITNESS MY HAND and the seal of the City of Hooks, Texas, this the 13 day of Oct, 1969.

J. C. Smith
City Secretary, City of Hooks,
Texas

(City Seal)

WATER SUPPLY CONTRACT

THE STATE OF TEXAS I
 I
COUNTY OF BOWIE I

THIS CONTRACT, made and entered into this the 24th
day of June, 1969, between the CITY OF TEXARKANA, TEXAS
(hereinafter called "TEXARKANA"), a municipal corporation in Bowie
County, Texas, acting under the laws of the State of Texas, and
the CITY OF NEW BOSTON, TEXAS (hereinafter called "NEW BOSTON"),
a municipal corporation in Bowie County, Texas, acting under
the laws of the State of Texas,

W I T N E S S E T H :

WHEREAS, under arrangements with the United States
Government TEXARKANA has been allowed storage space in Texarkana
Reservoir in a manner which provides it with not to exceed 25,000
acre-feet of water per annum and which TEXARKANA is authorized to
divert and use for municipal purposes under its Permit No. 1563a
issued by the Board of Water Engineers of the State of Texas; and

WHEREAS, it has been determined that such water supply
is sufficient to meet the municipal requirements of NEW BOSTON
and other area cities throughout the reasonably foreseeable future;
and

WHEREAS, within the limits of the amounts which now are
or which hereafter may be available to it for municipal purposes,
TEXARKANA has agreed to supply the reasonable municipal require-
ments of such cities; and

WHEREAS, TEXARKANA has obtained from the Texas Water
Rights Commission and now possesses Permit No. 1563b, by virtue
of which it is authorized to divert and use for municipal purposes

an additional 20,000 acre-feet of water per annum (a total of 45,000 acre-feet) and for which, by contract with the United States Government and contingent upon the construction of Cooper Reservoir on the Sulphur River, TEXARKANA will possess storage space in Texarkana Reservoir, thus further insuring an adequate supply of water for all such cities; and

WHEREAS, NEW BOSTON desires to obtain a reliable supply of surface water for its municipal requirements such as that which may be made available to it under arrangements herein-after set forth; and

WHEREAS, TEXARKANA expects to enter into a Water Supply System Sale-Purchase-Financing Agreement (hereinafter referred to as "Water System Agreement") with LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter referred to as the "COMPANY") by the terms of which COMPANY will construct certain improvements, extensions and betterments to its present water treatment and transportation facilities (hereinafter referred to collectively as "COMPANY facilities"), which will provide the means of treating and transporting water to NEW BOSTON from the Lake Texarkana supply, TEXARKANA to take possession of and maintain and operate all COMPANY facilities upon completion of the aforementioned improvements, extensions and betterments; and

WHEREAS, by the terms of said Water System Agreement COMPANY will issue and sell its bonds in a principal sum adequate to (a) discharge any COMPANY indebtedness, including bonds previously issued, for water treatment and transporting facilities heretofore constructed if, in the opinion of its financial consultants, it is necessary to do so in order to more advantageously finance anticipated improvements to such facilities; and (b) as supplemented by a \$3,000,000 grant contracted to COMPANY by the

United States of America, Secretary of Housing and Urban Development, provide sums required to construct the aforementioned improvements now anticipated for delivery of treated water to area cities including NEW BOSTON ; and

WHEREAS, NEW BOSTON understands that COMPANY bonds issued in financing COMPANY facilities will be payable from revenues received by COMPANY from TEXARKANA pursuant to said Water System Agreement between said COMPANY and TEXARKANA; further that certain of the amounts pledged by TEXARKANA to meet its said obligations to COMPANY are to be derived from this Water Supply Contract between NEW BOSTON and TEXARKANA, thus constituting a basis for COMPANY credit in financing COMPANY facilities including those necessary in providing the means of treating and transporting water to NEW BOSTON under this contract; and

WHEREAS, both NEW BOSTON and TEXARKANA, acting through their duly constituted governing bodies, had mutually agreed upon the terms and conditions of this contract;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings herein set forth, the parties hereto agree and contract as follows:

SECTION 1: Quantity of Water - Water Charges.

(a) Upon the effective date of this contract TEXARKANA shall proceed as promptly as possible in performing its obligations under its Water System Agreement with COMPANY in order that COMPANY may construct the improvements, extensions and betterments to its present facilities which will offer NEW BOSTON the means of receiving water under this contract. Upon completion and acceptance of such facilities TEXARKANA will make available to NEW BOSTON at the point of delivery hereinafter specified treated water in an amount not to exceed 255.6 million gallons

per year to be delivered at the rate of not to exceed 0.70 million gallons per day. TEXARKANA represents that the COMPANY-constructed system capacity will permit the delivery aforementioned. Out of the total amount of water to be made available to NEW BOSTON it shall be entitled to take and receive within the maximum daily rate of delivery above specified an amount not to exceed 127.8 million gallons per year, for which NEW BOSTON agrees to make the minimum monthly payments hereinafter provided. For all amounts which it shall take within the maximum amount available for it but in excess of that to which it shall be entitled for the minimum monthly payments, NEW BOSTON agrees to pay such rates or charges reasonably determined by TEXARKANA as those required to provide all costs incurred in the delivery of such water. TEXARKANA agrees to undertake to supply NEW BOSTON water over and above the 255.6 million gallons per year first above mentioned as available to it under this agreement should the need arise and in that event and if such water cannot be delivered within the then existing system capacity, arrangements shall be accomplished by modification of the terms of this agreement as provided in Section 6 hereof. For purposes of arriving at the computations relating to price determinations TEXARKANA agrees there shall be made available for the use of itself and Texarkana, Arkansas, jointly treated water in an amount not to exceed 6,334.2 million gallons per year to be delivered at the rate of not to exceed 17.34 million gallons per day and that within said daily rate and out of said total annual availability it shall be entitled to take for their joint use an amount not to exceed 3,167.1 million gallons per year for minimum monthly payments arrived at in the same manner as

herein provided for NEW BOSTON'S minimum monthly payments and as will be provided for in all contracts with other area cities. The provisions hereof relating to taking and paying for water which may be received over and above that allowed for the minimum monthly payments shall be fully applicable to TEXARKANA. NEW BOSTON agrees that as consideration for TEXARKANA'S undertakings, and regardless of the actual quantity of water delivered, during the period that COMPANY'S bonds issued to provide and construct COMPANY facilities or any interest on such bonds are outstanding and unpaid, it will make "minimum monthly payments" to TEXARKANA adequate to discharge its pro rata part of the following items:

(1) All amounts required for amortization of COMPANY facilities, including all bonds and additional bonds required to provide and complete the facilities as planned issued by COMPANY pursuant to the terms and conditions of its bond authorizing resolutions and including, without limitation, the payment of all principal and interest, fees and charges of paying agents, and for the maintenance of any reserve, contingency or other funds specified by COMPANY'S resolutions relating to its bonds issued for providing and constructing the COMPANY facilities. The COMPANY resolutions aforementioned, their provisions and the terms and conditions of the Water System Agreement between TEXARKANA and COMPANY are fully recognized by NEW BOSTON in connection with its obligations to TEXARKANA hereunder. It is expressly understood, however, that after COMPANY bonds and all interest thereon

have been completely paid and discharged, the provisions of this item (1) shall no longer apply in the computation of minimum monthly payments.

(2) All amounts for which TEXARKANA may be obligated under its water storage contract with the United States Government after deducting therefrom such sums as are derived for this purpose under contracts between TEXARKANA and industrial users.

(3) All amounts reasonably required by TEXARKANA for the maintenance, operation and administration of all those properties and facilities which are received by it under contract with COMPANY. In computing the actual operating and maintenance costs of the facilities to be paid by TEXARKANA there shall be deducted any costs included therein for operating and maintaining facilities which may be provided for the delivery of industrial water out of that permitted for industrial purposes under TEXARKANA'S water permit. It is understood that at this time none of the facilities herein referred to are provided for the delivery of untreated or industrial water, but it is the intent of the parties that should the facilities be used for that purpose in the future, the charges made to the industry shall include the pro rata part of the operating and maintenance expense of the facilities in the same manner as the pro rata costs of maintaining and operating the facilities are computed for NEW BOSTON. In order to determine the actual costs of operating and maintaining the facilities for the purpose of computing

the amount to be paid by NEW BOSTON , TEXARKANA agrees that it will keep detailed and accurate accounts showing all direct expenses of operation and maintenance including labor and materials chargeable to the source of supply, power and pumping, purification and transmission. In addition, indirect expenses such as insurance, administration and supervision, transportation clearing account, general administrative expenses including labor and supplies, telephone and telegraph expense, rents, and all other overhead expenses shall be accounted for and allocated to operation and maintenance of the facilities. Such allocation shall be made by TEXARKANA based on a detailed study which the City shall cause to be made by an independent accountant. All figures and data used in the making of such computation shall be made available for the information of NEW BOSTON at any reasonable time.

(4) All amounts reasonably required to pay COMPANY administration expenses attributable directly to its activities under the Water System Agreement between COMPANY and TEXARKANA.

(b) NEW BOSTON agrees to pay in monthly installments all requirements aforementioned and to promptly pay as billed all monthly sums required to meet its pro rata part of the items set forth in subparagraph (a)(1) of this Section 1 relating to COMPANY bond requirements regardless of whether there are any other charges then due.

(c) Operation of COMPANY facilities shall conform to a fiscal or budget year beginning October 1st of each year and ending September 30th of the following year.

(d) On or prior to the 15th day of the second month preceding that in which COMPANY'S consulting engineers shall indicate that water may be made available for NEW BOSTON'S use, the governing officials of TEXARKANA shall make a determination of all amounts anticipated as being required by TEXARKANA for items (1), (2), (3) and (4) of paragraph (a), such amounts to form the basis of a minimum monthly payment which shall be independent of the amount of water actually delivered to NEW BOSTON by TEXARKANA.

(e) The determination called for in paragraph (d) above shall be made no later than the 15th day of May of the year next succeeding that in which water may be made available to NEW BOSTON and shall relate not only to the requirements of the balance of the fiscal year then in progress, if any, but also to the requirements of the next succeeding fiscal year.

(f) Determinations similar to that described in paragraph (d) shall be made annually thereafter on or prior to the 10th day of May each year with respect to the succeeding fiscal year.

(g) Based upon the aforementioned determinations and within ten (10) days thereafter, the governing officials of the City of TEXARKANA shall cause to be prepared and its City Council shall preliminarily approve a budget reflecting all items which shall make up the total requirements attributable to COMPANY facilities and which must be provided for in the ensuing fiscal year or, if appropriate, the balance of the then current fiscal

year. As regards water taken by NEW BOSTON over and above that to which it shall be entitled for the minimum monthly payment, it is agreed that in the preparation of each annual budget TEXARKANA shall make and present calculations relating to the charges estimated to be required for delivery of such additional water in the succeeding fiscal year, in like manner as herein stated with respect to annual budget procedures and the determination of minimum monthly payments. The Board of Directors of COMPANY shall be furnished a copy of such budget within seven (7) days after its preliminary approval by the TEXARKANA City Council and COMPANY may indicate exceptions or suggestions, if any, within ten (10) days after receipt. Due consideration shall be given any exception or suggestion made by COMPANY'S Board of Directors and shall be incorporated insofar as consistent with TEXARKANA'S rights and obligations under its Water System Agreement with COMPANY, its rights and obligations under its contract with all contracting cities including NEW BOSTON , and consistent with its Lake Texarkana storage space contract with the United States Government. If for any reason it becomes apparent that the amount of any minimum or other payment made or to be made to TEXARKANA by NEW BOSTON under an annual budget previously adopted is either insufficient or excessive, the parties agree that such shall be taken into consideration in the preparation of the succeeding year's budget and the amounts therein provided for charge to NEW BOSTON adjusted up or down accordingly. Reasons for any increase or decrease in such charges shall be set forth by TEXARKANA in the succeeding year's budget. Among other features the budget aforementioned shall contain schedules of the minimum monthly payments to be made by each city contracting

with TEXARKANA to TEXARKANA each month during the budget year. So long as COMPANY bonds issued to provide COMPANY facilities herein referred to or any interest thereon remain outstanding and unpaid, and beginning with payments which shall become due on the 1st day of the sixth month next preceding the first month in which COMPANY shall be obligated to pay interest, and on the 1st day of each month thereafter, the scheduled minimum monthly payments shall contain not less than an amount equal to one-sixth ($1/6$) of the next succeeding installment of interest, and, in addition, beginning on the 1st day of the twelfth month next preceding the first month in which COMPANY shall be obligated to pay principal, and on the 1st day of each month thereafter, not less than one-twelfth ($1/12$) of the next succeeding installment of principal of all COMPANY bonds. Further, paying agent and other bond service charges shall be included in the scheduled monthly payments in such manner as will permit TEXARKANA to forward COMPANY all amounts required for satisfying and discharging COMPANY'S bond obligations in due and proper time.

(h) The budgeted amounts for which each contracting city, including NEW BOSTON and TEXARKANA, shall be obligated as minimum monthly payments shall be computed upon the percentage that the amount of water to be made available by TEXARKANA to each such contracting city for its minimum monthly payments shall bear to the amount of water to be made available by TEXARKANA to all contracting cities, including NEW BOSTON and TEXARKANA, for minimum monthly payments during the budget year.

(i) It is agreed and understood that TEXARKANA will prepare and furnish NEW BOSTON monthly bills or statements for all amounts reflected as being required under the provisions

of TEXARKANA'S then current budget arrangements (supplemented if necessary) so that same shall be received by NEW BOSTON on or prior to the 1st day of the month in which the bill shall be payable. Bills shall be payable no later than the 15th day of the month in which payable and NEW BOSTON agrees it will promptly remit to TEXARKANA all amounts as billed so as to reach it on or before that day. The first billing shall be made so as to become payable on the 15th day of the second month next succeeding the first month TEXARKANA City Council determinations are made in accordance with the provisions hereof.

(j) Should NEW BOSTON fail to make any payments at the times herein specified, interest on such amounts shall accrue at the rate of six per centum (6%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, TEXARKANA may, at its option, discontinue delivery of the water to NEW BOSTON until the amount due TEXARKANA is paid in full with interest as herein specified. Such discontinuance shall not relieve NEW BOSTON of its obligation to make the payments required by this Section.

SECTION 2: Water Quality.

Water delivered under this contract shall be of the same quality as that distributed by TEXARKANA to its own consumers and customers. Furthermore, TEXARKANA agrees to operate the treatment and transmission facilities in such manner as will assure the approval of the Health Department of the State of Texas.

The point of delivery of the aforementioned water to NEW BOSTON shall be at a ground storage tank situated on a site composed of Block 24 and lots 1, 2 & 3, Block 23 and including the 20 foot width alley between Block 23 and 24 as per the official plat of the City of New Boston, Bowie County, Texas.

SECTION 4: Water Measurement.

(a) Pursuant to its contract with TEXARKANA, COMPANY shall furnish and install at said point of delivery a master meter of standard type for measuring properly the quantity of water delivered NEW BOSTON under this contract, such to be operated and maintained by and at the expense of TEXARKANA. Both TEXARKANA and NEW BOSTON shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by employees or agents of TEXARKANA. TEXARKANA shall keep a true record of all meter readings as transcribed from reports of its employees or agents with respect thereto. TEXARKANA shall give NEW BOSTON such information as it may request from TEXARKANA'S journals or record books or permit NEW BOSTON and its agents to have access to same during business hours.

(b) TEXARKANA shall calibrate (or arrange for calibration of) its metering equipment as often as it considers necessary and at such time as NEW BOSTON may show reasonable evidence of error. If, upon any test, the percentage of any inaccuracy thereof is found to be in excess of 2%, registration thereof shall be corrected for a period extending back to the time such inaccuracy began, if such time is ascertainable, and

if not, then for a period extending back one-half of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. In the event.

NEW BOSTON has provided no check meter with reference thereto and if for any reason any master meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meter is out of service or out of repair shall be agreed upon by the parties hereto, by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculations, or by estimating the quantity of water by the deliveries made during preceding periods under similar conditions when the meter was registering accurately.

SECTION 5: Contract Term - NEW BOSTON'S Rights at End of Term.

This contract and the obligation of NEW BOSTON to promptly make all prescribed monthly payments shall continue for the period that any of COMPANY'S bonds supported by said payments and issued to finance COMPANY facilities are outstanding and unpaid. At the end of such term, and when all such bonds and interest thereon have been paid or discharged, or when firm banking arrangements have been established to that end, TEXARKANA agrees NEW BOSTON shall have the right to an extension of the term of this contract beyond such initial period under such arrangements as shall be agreed upon between TEXARKANA and NEW BOSTON at the time, taking into consideration any change in quantity desired by NEW BOSTON, the availability thereof and the costs involved in making deliveries to NEW BOSTON. Determinations of charges shall then be made as herein provided for the original

term except that the COMPANY bond requirements shall not be involved as a factor.

SECTION 6: Modification of Provisions.

This contract may be changed and modified only with the consent of the governing bodies of both TEXARKANA and NEW BOSTON . Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by NEW BOSTON under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any of the provisions of the resolutions authorizing the issuance of COMPANY'S bonds or any indentures securing such bonds. If for any reason NEW BOSTON may desire the construction of any additional facilities over and above those now contemplated and provided same are within the legal and economic capabilities of TEXARKANA, provision therefor shall be made by means of a supplement or amendment hereto, the terms of which are to be negotiated between the parties. Should TEXARKANA desire to construct any such additional facilities, either for the purpose of meeting its obligations to NEW BOSTON , or for other reasons, TEXARKANA shall not proceed with any work on such facilities, other than preliminary planning, without following the procedures described in this Section 6.

SECTION 7: Regulatory Provisions.

This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the

United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 8: Sales or Use Taxes.

In the event any sales or use taxes, or taxes of any similar nature, are hereafter imposed upon the gathering, taking, sale, use or consumption of the water received by NEW BOSTON under this contract, the amount of such taxes shall be borne by NEW BOSTON, in addition to all other charges, and whenever TEXARKANA shall be required to pay, collect, or remit any such taxes on water received by NEW BOSTON, then NEW BOSTON shall promptly reimburse TEXARKANA therefor.

SECTION 9: Unit of Measurement.

The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

SECTION 10: Title to Water.

Title to all water supplied under this agreement shall remain in TEXARKANA to the point of delivery, and upon passing through the meter installed at that point, title to the water shall pass to NEW BOSTON. Each party hereto agrees to save and hold the other harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, delivery and disposal of said water while title remains in such party.

SECTION 11: Easements.

NEW BOSTON agrees that TEXARKANA may have and assign to COMPANY such easements over any easements, right of way or property held by NEW BOSTON so that the COMPANY

facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 12: Nature of NEW BOSTON'S Obligation -
Not Payable by Taxation.

(a) The payments required to be made by NEW BOSTON under the terms of Section 1 hereof shall be due and payable as therein specified in any and all events and regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the construction program and regardless of whether the facilities shall have been wholly or partially destroyed or damaged, and regardless of whether TEXARKANA shall have tendered water to NEW BOSTON. The agreements of NEW BOSTON to make the payments required are separate and independent covenants and NEW BOSTON shall have no right of set-off, recoupment or counterclaim. The foregoing provisions of this paragraph, however, shall not apply (1) to any payments under Section 1 in respect of any period during which NEW BOSTON shall not be tendered any water by the wrongful affirmative act of TEXARKANA; (2) to any payments in respect of any period during which TEXARKANA shall refuse to continue arrangements under its contract with COMPANY for completion of the facilities through its wrongful affirmative act. TEXARKANA shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Any obligations assumed or imposed on NEW BOSTON hereunder shall never be construed as a debt of NEW BOSTON of any kind as to require it under the Constitution and laws of this State to levy and collect taxes to discharge such obligation, it being expressly understood by the parties hereto that the funds required for all payments due by NEW BOSTON are to

be collected from the sources referred to in the next succeeding Section 13. NEW BOSTON agrees to operate and maintain its water system in such manner and to make such charges for the water and services supplied thereby to all consumers so that the revenues derived therefrom will always be adequate to enable NEW BOSTON to promptly make all payments due TEXARKANA under the provisions of this agreement. All payments so made shall be deemed expenses of maintaining and operating the NEW BOSTON water system.

(b) It is understood that at this time TEXARKANA is not in position to guarantee the construction of the improvements, extensions and betterments to COMPANY facilities or the date on which water may first be made available to NEW BOSTON. TEXARKANA agrees, however, to make diligent efforts to provide the additional facilities through its contract with COMPANY, but is not to be liable to NEW BOSTON for any damages occasioned by delay unless such is attributable to the fault of TEXARKANA. It is further understood that any obligation on the part of TEXARKANA is conditioned upon the successful sale of COMPANY bonds in the amounts required to provide the improvements, extensions and betterments to its present facilities in order to make possible delivery of water to NEW BOSTON under this contract.

SECTION 13: Priority of TEXARKANA'S Charges - NEW BOSTON to Fix Adequate Rates.

(a) NEW BOSTON represents and covenants that all payments to be made hereunder shall constitute "operating expenses" of its Waterworks System with the effect that the obligation to make such payments from its Waterworks revenues under this contract shall be an operating expense as defined by Article 1113 of the Revised Civil Statutes of Texas, 1925, as amended.

(b) NEW BOSTON further agrees to fix and collect such rates and charges for water services to its customers as will, in combination with any other funds legally available and reasonably assured for the purpose, make possible the prompt payment of all expenses of operating and maintaining its Water System and all payments contracted hereunder.

SECTION 14: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this agreement, other than the obligation of NEW BOSTON to make the payments required under the terms of Section 1 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure", shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of public enemy, orders or actions of any kind of the Government of the United States or of the State of Texas, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, or canals or other structures or machinery, partial or entire failure of water supply and inability on the

part of TEXARKANA to deliver water hereunder, or of NEW BOSTON to receive water, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of TEXARKANA to meet any obligation by reason of force majeure shall relieve NEW BOSTON from its obligations to make the payments required under the terms of Section 1 hereof.

(b) No damage shall be recoverable from TEXARKANA by reason of the suspension of delivery of water due to any of the causes above mentioned. If TEXARKANA'S ability to deliver water to NEW BOSTON is affected by any of such causes, TEXARKANA shall promptly notify NEW BOSTON in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption. If the supply of water available to TEXARKANA is insufficient for any reason to serve the requirements of all of its customers, then the available amount of water will be allocated by TEXARKANA so as to meet the requirements of its various customers in accordance with their respective needs.

(c) It is expressly recognized by NEW BOSTON that TEXARKANA may be compelled to make necessary alterations, repairs or extensions of new or additional water transporting facilities from time to time during the life of this contract and any suspension of delivery to NEW BOSTON due to such operation shall

not be cause for claim of damage on part of TEXARKANA provided all reasonable effort is used by TEXARKANA to provide NEW BOSTON with water in accordance with this contract. In such case TEXARKANA shall give NEW BOSTON as much advance notice as may be practicable of the suspension of delivery and of the estimated duration thereof.

SECTION 15: Notices.

Any notice, request, demand, statement, or bill provided for in this agreement shall be in writing and shall be considered to have been duly delivered when sent by registered mail, addressed to the City Secretary, City Hall, Texarkana, Texas, or to the City Secretary, City Hall, New Boston, Texas, as the case may be, except that routine communications may be sent by ordinary mail and except that either party may, by the filing of an appropriate written notice to the other, specify some other individual to whom communications thereafter are to be addressed.

SECTION 16: Severability.

The parties hereto agree that if any of the provisions of this contract contravene or be held invalid under the laws of this State, same shall not invalidate the whole agreement but it shall be construed as though not containing that particular provision and the rights and obligations of the parties shall be construed and in force accordingly.

SECTION 17: Pledge.

It is recognized that the proceeds of this contract are to be pledged by TEXARKANA under its Water System Agreement with COMPANY for the payment of COMPANY bonds and in such respect NEW BOSTON agrees that COMPANY may enforce any obligations owed

it by TEXARKANA should TEXARKANA for any reason fail to pursue appropriate remedies against NEW BOSTON for the enforcement of the payments which are to be derived for the payment of COMPANY indebtedness.

SECTION 18: Services by NEW BOSTON Outside Its Limits.

The parties agree that rates charged by NEW BOSTON for water supplied areas and customers outside its corporate limits may be greater than those charged for water supplied within its limits. NEW BOSTON, however, agrees to submit all such rate schedules to TEXARKANA and COMPANY.

SECTION 19: Acknowledgment and Acceptance by NEW BOSTON of TEXARKANA-COMPANY Water System Agreement.

NEW BOSTON acknowledges that it has been furnished a copy of the Water System Agreement proposed between TEXARKANA and COMPANY, understands the provisions thereof and their effect upon NEW BOSTON, including, without limitation, those relating to the right and obligation of COMPANY, upon default by TEXARKANA, to take over, operate and maintain all facilities and otherwise perform all other functions of TEXARKANA in the event COMPANY shall become repossessed of such facilities under the vendor's lien retained in the conveyances to TEXARKANA, including, further, its obligation thereupon to make budget determinations and billings for water services under the procedures hereinabove set forth with relation to the same subjects while the facilities are under TEXARKANA'S possession and control.

SECTION 20: Advisory Committee.

Concurrently with the execution of this contract NEW BOSTON will appoint one of the members of its governing body or one of its officers or employees as a member of an Advisory

Committee which will be composed of one member appointed by each City which may contract with TEXARKANA for a water supply. The function of this Committee will be to consult and advise with representatives of TEXARKANA concerning future plans for expansion, methods for improved service, and other matters of mutual interest. Said Committee may make recommendations with reference to any related matters to the TEXARKANA City Council. TEXARKANA shall keep the Committee advised as to current status of financing, planning, construction and operation of the water supply facilities.

SECTION 21: NEW BOSTON'S Future Interest in Facilities.

It is agreed by TEXARKANA that at such time as all bonds or other indebtedness incurred in connection with the acquisition and construction of System facilities by COMPANY have been fully paid and discharged, TEXARKANA will, upon NEW BOSTON'S request, convey to NEW BOSTON an undivided interest in such facilities equal to that percentage which the amount paid by NEW BOSTON under this contract applied in discharging principal of bond obligations issued by COMPANY bears to the amount paid by all other contracting municipalities, including TEXARKANA, which has been applied in discharging principal of bond obligations issued by COMPANY, each of whom shall be entitled to a like conveyance representing their proportionate contributions of like nature during the period aforementioned. In this connection it is understood that TEXARKANA, Texas, on behalf of itself and Texarkana, Arkansas, shall, prior to crediting it with the amounts as above provided, first have credit on COMPANY books for the amount derived from those two Cities and employed in discharging principal of the bond obligations of Texarkana Water Supply Corporation prior to its merger with COMPANY. At the time of any

conveyance under the foregoing provisions, the parties agree that they will, by revision or modification of this contract, provide appropriate arrangements for the continued operation and maintenance of the facilities according to circumstances at the time. It is further provided that should the facilities ever be sold to any other person or corporation, NEW BOSTON shall be paid a percentage of the money received, arrived at in the same manner as aforementioned with regard to possible conveyances, provided that the System shall not be sold at any time during which the aforementioned COMPANY bonds or any interest thereon are outstanding and unpaid unless provision for discharge thereof has been made under firm banking arrangements.

SECTION 22: Specially Constructed Facilities to be Paid for Exclusively by Those Benefiting.

It is understood that COMPANY may be called upon to finance and construct some facilities which will be for the exclusive benefit of one or more contracting cities and that in such event all of the related costs will be billed to and collected only from the benefiting city or cities independent of the arrangements indicated herein which apply to all contracting cities. Also, that in such event none of the amounts paid by any city for facilities benefiting it exclusively shall be credited to that city in arriving at its future interest in the facilities constructed for the benefit of all.

SECTION 23: TEXARKANA'S Obligations to Others.

NEW BOSTON hereby acknowledges its awareness of TEXARKANA'S obligations to continue to supply through its own System the water needs of Texarkana, Arkansas, and is further aware of the terms of the contract between those two Cities

including the water priorities therein established for them; also that other area cities will execute contracts with TEXARKANA for water at the same price and otherwise under essentially the same terms as this contract, the others currently thus involved being Avery, Annona, DeKalb, Hooks, Maud, and Wake Village, Texas. NEW BOSTON further acknowledges that by means of facilities which may hereafter be provided by COMPANY or in some other manner for the treatment and transportation of water from the TEXARKANA supply, the Cities of Atlanta, Bloomburg, Leary, Nash, Douglassville, Linden, Naples, Omaha and Queen City, Texas, may receive water therefrom under appropriate contractual arrangements and that, in such event, TEXARKANA'S obligation to those Cities will be of the same nature as that to the area Cities first named, including NEW BOSTON insofar as participation in the then available supply is concerned.

SECTION 24: TEXARKANA'S Obligation to Make Water

Payments.

TEXARKANA agrees that the provisions hereof relating to computations of minimum monthly payments, payments for additional water, budget determinations, water measurements and all other features which relate to making water payments shall apply to TEXARKANA in like manner as any other contracting municipality and shall be obligations of TEXARKANA with respect to water received by it for itself or Texarkana, Arkansas, through COMPANY-constructed facilities and to the same extent and with like effect as the same features are herein provided as obligations of NEW BOSTON.

SECTION 25: Effective Date.

This contract shall not become effective until

but shall become effective upon the same date upon which the Water System Agreement between TEXARKANA and COMPANY shall be effective.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

CITY OF TEXARKANA, TEXAS

By

[Signature]
City Manager

ATTEST:

[Signature]
City Secretary
(Seal)

CITY OF NEW BOSTON

By

[Signature]
Mayor

ATTEST:

[Signature]
City Secretary

(Seal)
CITY OF
NEW BOSTON, TEXAS

WATER SUPPLY CONTRACT

THE STATE OF TEXAS }
COUNTY OF BOWIE }

THIS CONTRACT, made and entered into this the 24th day of June, 1969, between the CITY OF TEXARKANA, TEXAS (hereinafter called "TEXARKANA"), a municipal corporation in Bowie County, Texas, acting under the laws of the State of Texas, and the CITY OF MAUD, TEXAS (hereinafter called "MAUD"), a municipal corporation in Bowie County, Texas, acting under the laws of the State of Texas,

W I T N E S S E T H :

WHEREAS, under arrangements with the United States Government TEXARKANA has been allowed storage space in Texarkana Reservoir in a manner which provides it with not to exceed 25,000 acre-feet of water per annum and which TEXARKANA is authorized to divert and use for municipal purposes under its Permit No. 1563a issued by the Board of Water Engineers of the State of Texas; and

WHEREAS, it has been determined that such water supply is sufficient to meet the municipal requirements of MAUD and other area cities throughout the reasonably foreseeable future; and

WHEREAS, within the limits of the amounts which now are or which hereafter may be available to it for municipal purposes, TEXARKANA has agreed to supply the reasonable municipal requirements of such cities; and

WHEREAS, TEXARKANA has obtained from the Texas Water Rights Commission and now possesses Permit No. 1563b, by virtue of which it is authorized to divert and use for municipal purposes

an additional 20,000 acre-feet of water per annum (a total of 45,000 acre-feet) and for which, by contract with the United States Government and contingent upon the construction of Cooper Reservoir on the Sulphur River, TEXARKANA will possess storage space in Texarkana Reservoir, thus further insuring an adequate supply of water for all such cities; and

WHEREAS, MAUD desires to obtain a reliable supply of surface water for its municipal requirements such as that which may be made available to it under arrangements hereinafter set forth; and

WHEREAS, TEXARKANA expects to enter into a Water Supply System Sale-Purchase-Financing Agreement (hereinafter referred to as "Water System Agreement") with LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter referred to as the "COMPANY") by the terms of which COMPANY will construct certain improvements, extensions and betterments to its present water treatment and transportation facilities (hereinafter referred to collectively as "COMPANY facilities"), which will provide the means of treating and transporting water to MAUD from the Lake Texarkana supply, TEXARKANA to take possession of and maintain and operate all COMPANY facilities upon completion of the aforementioned improvements, extensions and betterments; and

WHEREAS, by the terms of said Water System Agreement COMPANY will issue and sell its bonds in a principal sum adequate to (a) discharge any COMPANY indebtedness, including bonds previously issued, for water treatment and transporting facilities heretofore constructed if, in the opinion of its financial consultants, it is necessary to do so in order to more advantageously finance anticipated improvements to such facilities; and (b) be supplemented by a \$3,000,000 grant contracted to COMPANY by the

United States of America, Secretary of Housing and Urban Development, provide sums required to construct the aforementioned improvements now anticipated for delivery of treated water to area cities including MAUD ; and

WHEREAS, MAUD understands that COMPANY bonds issued in financing COMPANY facilities will be payable from revenues received by COMPANY from TEXARKANA pursuant to said Water System Agreement between said COMPANY and TEXARKANA; further that certain of the amounts pledged by TEXARKANA to meet its said obligations to COMPANY are to be derived from this Water Supply Contract between MAUD and TEXARKANA, thus constituting a basis for COMPANY credit in financing COMPANY facilities including those necessary in providing the means of treating and transporting water to MAUD under this contract; and

WHEREAS, both MAUD and TEXARKANA, acting through their duly constituted governing bodies, had mutually agreed upon the terms and conditions of this contract;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings herein set forth, the parties hereto agree and contract as follows:

SECTION 1: Quantity of Water - Water Charges.

(a) Upon the effective date of this contract TEXARKANA shall proceed as promptly as possible in performing its obligations under its Water System Agreement with COMPANY in order that COMPANY may construct the improvements, extensions and betterments to its present facilities which will offer MAUD the means of receiving water under this contract. Upon completion and acceptance of such facilities TEXARKANA will make available to

MAUD at the point of delivery hereinafter specified treated water in an amount not to exceed 80.4 million gallons

per year to be delivered at the rate of not to exceed .22 million gallons per day. TEXARKANA represents that the COMPANY-constructed system capacity will permit the delivery aforementioned. Out of the total amount of water to be made available to MAUD it shall be entitled to take and receive within the maximum daily rate of delivery above specified an amount not to exceed 40.2 million gallons per year, for which MAUD agrees to make the minimum monthly payments hereinafter provided. For all amounts which it shall take within the maximum amount available for it but in excess of that to which it shall be entitled for the minimum monthly payments, MAUD agrees to pay such rates or charges reasonably determined by TEXARKANA as those required to provide all costs incurred in the delivery of such water. TEXARKANA agrees to undertake to supply MAUD water over and above the 80.4 million gallons per year first above mentioned as available to it under this agreement should the need arise and in that event and if such water cannot be delivered within the then existing system capacity, arrangements shall be accomplished by modification of the terms of this agreement as provided in Section 6 hereof. For purposes of arriving at the computations relating to price determinations TEXARKANA agrees there shall be made available for the use of itself and Texarkana, Arkansas, jointly treated water in an amount not to exceed 6,334.2 million gallons per year to be delivered at the rate of not to exceed 17.34 million gallons per day and that within said daily rate and out of said total annual availability it shall be entitled to take for their joint use an amount not to exceed 3,167.1 million gallons per year for minimum monthly payments arrived at in the same manner as

herein provided for MAUD'S minimum monthly payments and as will be provided for in all contracts with other area cities. The provisions hereof relating to taking and paying for water which may be received over and above that allowed for the minimum monthly payments shall be fully applicable to TEXARKANA. MAUD agrees that as consideration for TEXARKANA'S undertakings, and regardless of the actual quantity of water delivered, during the period that COMPANY'S bonds issued to provide and construct COMPANY facilities or any interest on such bonds are outstanding and unpaid, it will make "minimum monthly payments" to TEXARKANA adequate to discharge its pro rata part of the following items:

(1) All amounts required for amortization of COMPANY facilities, including all bonds and additional bonds required to provide and complete the facilities as planned issued by COMPANY pursuant to the terms and conditions of its bond authorizing resolutions and including, without limitation, the payment of all principal and interest, fees and charges of paying agents, and for the maintenance of any reserve, contingency or other funds specified by COMPANY'S resolutions relating to its bonds issued for providing and constructing the COMPANY facilities. The COMPANY resolutions aforementioned, their provisions and the terms and conditions of the Water System Agreement between TEXARKANA and COMPANY are fully recognized by MAUD in connection with its obligations to TEXARKANA hereunder. It is expressly understood, however, that after COMPANY bonds and all interest thereon

have been completely paid and discharged, the provisions of this item (1) shall no longer apply in the computation of minimum monthly payments.

(2) All amounts for which TEXARKANA may be obligated under its water storage contract with the United States Government after deducting therefrom such sums as are derived for this purpose under contracts between TEXARKANA and industrial users.

(3) All amounts reasonably required by TEXARKANA for the maintenance, operation and administration of all those properties and facilities which are received by it under contract with COMPANY. In computing the actual operating and maintenance costs of the facilities to be paid by TEXARKANA there shall be deducted any costs included therein for operating and maintaining facilities which may be provided for the delivery of industrial water out of that permitted for industrial purposes under TEXARKANA'S water permit. It is understood that at this time none of the facilities herein referred to are provided for the delivery of untreated or industrial water, but it is the intent of the parties that should the facilities be used for that purpose in the future, the charges made to the industry shall include the pro rata part of the operating and maintenance expense of the facilities in the same manner as the pro rata costs of maintaining and operating the facilities are computed for MAUD. In order to determine the actual costs of operating and maintaining the facilities for the purpose of computing

the amount to be paid by MAUD, TEXARKANA agrees that it will keep detailed and accurate accounts showing all direct expenses of operation and maintenance including labor and materials chargeable to the source of supply, power and pumping, purification and transmission. In addition, indirect expenses such as insurance, administration and supervision, transportation clearing account, general administrative expenses including labor and supplies, telephone and telegraph expense, rents, and all other overhead expenses shall be accounted for and allocated to operation and maintenance of the facilities. Such allocation shall be made by TEXARKANA based on a detailed study which the City shall cause to be made by an independent accountant. All figures and data used in the making of such computation shall be made available for the information of MAUD at any reasonable time.

(4) All amounts reasonably required to pay COMPANY administration expenses attributable directly to its activities under the Water System Agreement between COMPANY and TEXARKANA.

(b) MAUD agrees to pay in monthly installments all requirements aforementioned and to promptly pay as billed all monthly sums required to meet its pro rata part of the items set forth in subparagraph (a)(1) of this Section 1 relating to COMPANY bond requirements regardless of whether there are any other charges then due.

(c) Operation of COMPANY facilities shall conform to a fiscal or budget year beginning October 1st of each year and ending September 30th of the following year.

(d) On or prior to the 15th day of the second month preceding that in which COMPANY'S consulting engineers shall indicate that water may be made available for MAUD'S use, the governing officials of TEXARKANA shall make a determination of all amounts anticipated as being required by TEXARKANA for items (1), (2), (3) and (4) of paragraph (a), such amounts to form the basis of a minimum monthly payment which shall be independent of the amount of water actually delivered to MAUD by TEXARKANA.

(e) The determination called for in paragraph (d) above shall be made no later than the 15th day of May of the year next succeeding that in which water may be made available to MAUD and shall relate not only to the requirements of the balance of the fiscal year then in progress, if any, but also to the requirements of the next succeeding fiscal year.

(f) Determinations similar to that described in paragraph (d) shall be made annually thereafter on or prior to the 10th day of May each year with respect to the succeeding fiscal year.

(g) Based upon the aforementioned determinations and within ten (10) days thereafter, the governing officials of the City of TEXARKANA shall cause to be prepared and its City Council shall preliminarily approve a budget reflecting all items which shall make up the total requirements attributable to COMPANY facilities and which must be provided for in the ensuing fiscal year or, if appropriate, the balance of the then current fiscal

year. As regards water taken by MAUD over and above that to which it shall be entitled for the minimum monthly payment, it is agreed that in the preparation of each annual budget TEXARKANA shall make and present calculations relating to the charges estimated to be required for delivery of such additional water in the succeeding fiscal year, in like manner as herein stated with respect to annual budget procedures and the determination of minimum monthly payments. The Board of Directors of COMPANY shall be furnished a copy of such budget within seven (7) days after its preliminary approval by the TEXARKANA City Council and COMPANY may indicate exceptions or suggestions, if any, within ten (10) days after receipt. Due consideration shall be given any exception or suggestion made by COMPANY'S Board of Directors and shall be incorporated insofar as consistent with TEXARKANA'S rights and obligations under its Water System Agreement with COMPANY, its rights and obligations under its contract with all contracting cities including MAUD , and consistent with its Lake Texarkana storage space contract with the United States Government. If for any reason it becomes apparent that the amount of any minimum or other payment made or to be made to TEXARKANA by MAUD under an annual budget previously adopted is either insufficient or excessive, the parties agree that such shall be taken into consideration in the preparation of the succeeding year's budget and the amounts therein provided for charge to MAUD adjusted up or down accordingly. Reasons for any increase or decrease in such charges shall be set forth by TEXARKANA in the succeeding year's budget. Among other features the budget aforementioned shall contain schedules of the minimum monthly payments to be made by each city contracting

with TEXARKANA to TEXARKANA each month during the budget year. So long as COMPANY bonds issued to provide COMPANY facilities herein referred to or any interest thereon remain outstanding and unpaid, and beginning with payments which shall become due on the 1st day of the sixth month next preceding the first month in which COMPANY shall be obligated to pay interest, and on the 1st day of each month thereafter, the scheduled minimum monthly payments shall contain not less than an amount equal to one-sixth ($1/6$) of the next succeeding installment of interest, and, in addition, beginning on the 1st day of the twelfth month next preceding the first month in which COMPANY shall be obligated to pay principal, and on the 1st day of each month thereafter, not less than one-twelfth ($1/12$) of the next succeeding installment of principal of all COMPANY bonds. Further, paying agent and other bond service charges shall be included in the scheduled monthly payments in such manner as will permit TEXARKANA to forward COMPANY all amounts required for satisfying and discharging COMPANY'S bond obligations in due and proper time.

(h) The budgeted amounts for which each contracting city, including MAUD and TEXARKANA, shall be obligated as minimum monthly payments shall be computed upon the percentage that the amount of water to be made available by TEXARKANA to each such contracting city for its minimum monthly payments shall bear to the amount of water to be made available by TEXARKANA to all contracting cities, including MAUD and TEXARKANA, for minimum monthly payments during the budget year.

(i) It is agreed and understood that TEXARKANA will prepare and furnish MAUD monthly bills or statements for all amounts reflected as being required under the provisions

of TEXARKANA'S then current budget arrangements (supplemented if necessary) so that same shall be received by MAUD on or prior to the 1st day of the month in which the bill shall be payable. Bills shall be payable no later than the 15th day of the month in which payable and MAUD agrees it will promptly remit to TEXARKANA all amounts as billed so as to reach it on or before that day. The first billing shall be made so as to become payable on the 15th day of the second month next succeeding the first month TEXARKANA City Council determinations are made in accordance with the provisions hereof.

(j) Should MAUD fail to make any payments at the times herein specified, interest on such amounts shall accrue at the rate of six per centum (6%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, TEXARKANA may, at its option, discontinue delivery of the water to MAUD until the amount due TEXARKANA is paid in full with interest as herein specified. Such discontinuance shall not relieve MAUD of its obligation to make the payments required by this Section.

SECTION 2: Water Quality.

Water delivered under this contract shall be of the same quality as that distributed by TEXARKANA to its own consumers and customers. Furthermore, TEXARKANA agrees to operate the treatment and transmission facilities in such manner as will assure the approval of the Health Department of the State of Texas.

SECTION 3 Point of Delivery.

The point of delivery of the aforementioned water to MAUD shall be at a ground storage tank situated on a site in the City of Maud, Texas, said site being West of and fronting on Bonham Street, City of Maud, Bowie County, Texas.

SECTION 4: Water Measurement.

(a) Pursuant to its contract with TEXARKANA, COMPANY shall furnish and install at said point of delivery a master meter of standard type for measuring properly the quantity of water delivered MAUD under this contract, such to be operated and maintained by and at the expense of TEXARKANA. Both TEXARKANA and MAUD shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by employees or agents of TEXARKANA. TEXARKANA shall keep a true record of all meter readings as transcribed from reports of its employees or agents with respect thereto. TEXARKANA shall give MAUD such information as it may request from TEXARKANA'S journals or record books or permit MAUD and its agents to have access to same during business hours.

(b) TEXARKANA shall calibrate (or arrange for calibration of) its metering equipment as often as it considers necessary and at such time as MAUD may show reasonable evidence of error. If, upon any test, the percentage of any inaccuracy thereof is found to be in excess of 2%, registration thereof shall be corrected for a period extending back to the time such inaccuracy began, if such time is ascertainable, and

if not, then for a period extending back one-half of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. In the event

MAUD has provided no check meter with reference thereto and if for any reason any master meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meter is out of service or out of repair shall be agreed upon by the parties hereto, by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculations, or by estimating the quantity of water by the deliveries made during preceding periods under similar conditions when the meter was registering accurately.

SECTION 5: Contract Term - MAUD'S Rights at End of Term.

This contract and the obligation of MAUD to promptly make all prescribed monthly payments shall continue for the period that any of COMPANY'S bonds supported by said payments and issued to finance COMPANY facilities are outstanding and unpaid. At the end of such term, and when all such bonds and interest thereon have been paid or discharged, or when firm banking arrangements have been established to that end, TEXARKANA agrees MAUD shall have the right to an extension of the term of this contract beyond such initial period under such arrangements as shall be agreed upon between TEXARKANA and MAUD at the time, taking into consideration any change in quantity desired by MAUD, the availability thereof and the costs involved in making deliveries to MAUD. Determinations of charges shall then be made as herein provided for the original

term except that the COMPANY bond requirements shall not be involved as a factor.

SECTION 6: Modification of Provisions.

This contract may be changed and modified only with the consent of the governing bodies of both TEXARKANA and MAUD . Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice.

At such joint meeting the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by MAUD under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any of the provisions of the resolutions authorizing the issuance of COMPANY'S bonds or any indentures securing such bonds. If for any reason

MAUD may desire the construction of any additional facilities over and above those now contemplated and provided same are within the legal and economic capabilities of TEXARKANA, provision therefor shall be made by means of a supplement or amendment hereto, the terms of which are to be negotiated between the parties. Should TEXARKANA desire to construct any such additional facilities, either for the purpose of meeting its obligations to

MAUD , or for other reasons, TEXARKANA shall not proceed with any work on such facilities, other than preliminary planning, without following the procedures described in this Section 6.

SECTION 7: Regulatory Provisions.

This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the

United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 8: Sales or Use Taxes.

In the event any sales or use taxes, or taxes of any similar nature, are hereafter imposed upon the gathering, taking, sale, use or consumption of the water received by

MAUD under this contract, the amount of such taxes shall be borne by MAUD, in addition to all other charges, and whenever TEXARKANA shall be required to pay, collect, or remit any such taxes on water received by MAUD, then MAUD shall promptly reimburse TEXARKANA therefor.

SECTION 9: Unit of Measurement.

The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

SECTION 10: Title to Water.

Title to all water supplied under this agreement shall remain in TEXARKANA to the point of delivery, and upon passing through the meter installed at that point, title to the water shall pass to MAUD. Each party hereto agrees to save and hold the other harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, delivery and disposal of said water while title remains in such party.

SECTION 11: Easements.

MAUD agrees that TEXARKANA may have and assign to COMPANY such easements over any easements, right of way or property held by MAUD so that the COMPANY

facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 12: Nature of MAUD'S Obligation - Not Payable by Taxation.

(a) The payments required to be made by MAUD under the terms of Section 1 hereof shall be due and payable as therein specified in any and all events and regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the construction program and regardless of whether the facilities shall have been wholly or partially destroyed or damaged, and regardless of whether TEXARKANA shall have tendered water to MAUD. The agreements of MAUD to make the payments required are separate and independent covenants and MAUD shall have no right of set-off, recoupment or counterclaim. The foregoing provisions of this paragraph, however, shall not apply (1) to any payments under Section 1 in respect of any period during which MAUD shall not be tendered any water by the wrongful affirmative act of TEXARKANA; (2) to any payments in respect of any period during which TEXARKANA shall refuse to continue arrangements under its contract with COMPANY for completion of the facilities through its wrongful affirmative act. TEXARKANA shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Any obligations assumed or imposed on MAUD hereunder shall never be construed as a debt of MAUD of any kind as to require it under the Constitution and laws of this State to levy and collect taxes to discharge such obligation, it being expressly understood by the parties hereto that the funds required for all payments due by MAUD are to

be collected from the sources referred to in the next succeeding Section 13. MAUD agrees to operate and maintain its water system in such manner and to make such charges for the water and services supplied thereby to all consumers so that the revenues derived therefrom will always be adequate to enable MAUD to promptly make all payments due TEXARKANA under the provisions of this agreement. All payments so made shall be deemed expenses of maintaining and operating the MAUD water system.

(b) It is understood that at this time TEXARKANA is not in position to guarantee the construction of the improvements, extensions and betterments to COMPANY facilities or the date on which water may first be made available to MAUD. TEXARKANA agrees, however, to make diligent efforts to provide the additional facilities through its contract with COMPANY, but is not to be liable to MAUD for any damages occasioned by delay unless such is attributable to the fault of TEXARKANA. It is further understood that any obligation on the part of TEXARKANA is conditioned upon the successful sale of COMPANY bonds in the amounts required to provide the improvements, extensions and betterments to its present facilities in order to make possible delivery of water to MAUD under this contract.

SECTION 13: Priority of TEXARKANA'S Charges - MAUD to Fix Adequate Rates.

(a) MAUD represents and covenants that all payments to be made hereunder shall constitute "operating expenses" of its Waterworks System with the effect that the obligation to make such payments from its Waterworks revenues under this contract shall be an operating expense as defined by Article 1113 of the Revised Civil Statutes of Texas, 1925, as amended.

(b) MAUD further agrees to fix and collect such rates and charges for water services to its customers as will, in combination with any other funds legally available and reasonably assured for the purpose, make possible the prompt payment of all expenses of operating and maintaining its Water System and all payments contracted hereunder.

SECTION 14: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this agreement, other than the obligation of MAUD to make the payments required under the terms of Section 1 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure", shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of public enemy, orders or actions of any kind of the Government of the United States or of the State of Texas, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, or canals or other structures or machinery, partial or entire failure of water supply and inability on the

part of TEXARKANA to deliver water hereunder, or of MAUD to receive water, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of TEXARKANA to meet any obligation by reason of force majeure shall relieve MAUD from its obligations to make the payments required under the terms of Section 1 hereof.

(b) No damage shall be recoverable from TEXARKANA by reason of the suspension of delivery of water due to any of the causes above mentioned. If TEXARKANA'S ability to deliver water to MAUD is affected by any of such causes, TEXARKANA shall promptly notify MAUD in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption. If the supply of water available to TEXARKANA is insufficient for any reason to serve the requirements of all of its customers, then the available amount of water will be allocated by TEXARKANA so as to meet the requirements of its various customers in accordance with their respective needs.

(c) It is expressly recognized by MAUD that TEXARKANA may be compelled to make necessary alterations, repairs or extensions of new or additional water transporting facilities from time to time during the life of this contract and any suspension of delivery to MAUD due to such operation shall

not be cause for claim of damage on part of TEXARKANA provided all reasonable effort is used by TEXARKANA to provide MAUD with water in accordance with this contract. In such case TEXARKANA shall give MAUD as much advance notice as may be practicable of the suspension of delivery and of the estimated duration thereof.

SECTION 15: Notices.

Any notice, request, demand, statement, or bill provided for in this agreement shall be in writing and shall be considered to have been duly delivered when sent by registered mail, addressed to the City Secretary, City Hall, Texarkana, Texas, or to the City Secretary, City Hall, Maud, Texas, as the case may be, except that routine communications may be sent by ordinary mail and except that either party may, by the filing of an appropriate written notice to the other, specify some other individual to whom communications thereafter are to be addressed.

SECTION 16: Severability.

The parties hereto agree that if any of the provisions of this contract contravene or be held invalid under the laws of this State, same shall not invalidate the whole agreement but it shall be construed as though not containing that particular provision and the rights and obligations of the parties shall be construed and in force accordingly.

SECTION 17: Pledge.

It is recognized that the proceeds of this contract are to be pledged by TEXARKANA under its Water System Agreement with COMPANY for the payment of COMPANY bonds and in such respect MAUD agrees that COMPANY may enforce any obligations owed

it by TEXARKANA should TEXARKANA for any reason fail to pursue appropriate remedies against MAUD for the enforcement of the payments which are to be derived for the payment of COMPANY indebtedness.

SECTION 18: Services by MAUD Outside Its Limits.

The parties agree that rates charged by MAUD for water supplied areas and customers outside its corporate limits may be greater than those charged for water supplied within its limits. MAUD, however, agrees to submit all such rate schedules to TEXARKANA and COMPANY.

SECTION 19: Acknowledgment and Acceptance by MAUD of TEXARKANA-COMPANY Water System Agreement.

MAUD acknowledges that it has been furnished a copy of the Water System Agreement proposed between TEXARKANA and COMPANY, understands the provisions thereof and their effect upon MAUD, including, without limitation, those relating to the right and obligation of COMPANY, upon default by TEXARKANA, to take over, operate and maintain all facilities and otherwise perform all other functions of TEXARKANA in the event COMPANY shall become repossessed of such facilities under the vendor's lien retained in the conveyances to TEXARKANA, including, further, its obligation thereupon to make budget determinations and billings for water services under the procedures hereinabove set forth with relation to the same subjects while the facilities are under TEXARKANA'S possession and control.

SECTION 20: Advisory Committee.

Concurrently with the execution of this contract MAUD will appoint one of the members of its governing body or one of its officers or employees as a member of an Advisory

Committee which will be composed of one member appointed by each City which may contract with TEXARKANA for a water supply. The function of this Committee will be to consult and advise with representatives of TEXARKANA concerning future plans for expansion, methods for improved service, and other matters of mutual interest. Said Committee may make recommendations with reference to any related matters to the TEXARKANA City Council. TEXARKANA shall keep the Committee advised as to current status of financing, planning, construction and operation of the water supply facilities.

SECTION 21: MAUD'S Future Interest in Facilities.

It is agreed by TEXARKANA that at such time as all bonds or other indebtedness incurred in connection with the acquisition and construction of System facilities by COMPANY have been fully paid and discharged, TEXARKANA will, upon MAUD'S request, convey to MAUD an undivided interest in such facilities equal to that percentage which the amount paid by MAUD under this contract applied in discharging principal of bond obligations issued by COMPANY bears to the amount paid by all other contracting municipalities, including TEXARKANA, which has been applied in discharging principal of bond obligations issued by COMPANY, each of whom shall be entitled to a like conveyance representing their proportionate contributions of like nature during the period aforementioned. In this connection it is understood that TEXARKANA, Texas, on behalf of itself and Texarkana, Arkansas, shall, prior to crediting it with the amounts as above provided, first have credit on COMPANY books for the amount derived from those two Cities and employed in discharging principal of the bond obligations of Texarkana Water Supply Corporation prior to its merger with COMPANY. At the time of any

conveyance under the foregoing provisions, the parties agree that they will, by revision or modification of this contract, provide appropriate arrangements for the continued operation and maintenance of the facilities according to circumstances at the time. It is further provided that should the facilities ever be sold to any other person or corporation, MAUD shall be paid a percentage of the money received, arrived at in the same manner as aforementioned with regard to possible conveyances, provided that the System shall not be sold at any time during which the aforementioned COMPANY bonds or any interest thereon are outstanding and unpaid unless provision for discharge thereof has been made under firm banking arrangements.

SECTION 22: Specially Constructed Facilities to be Paid for Exclusively by Those Benefiting.

It is understood that ^{FINANCE} COMPANY may be called upon to finance and construct some facilities which will be for the exclusive benefit of one or more contracting cities and that in such event all of the related costs will be billed to and collected only from the benefiting city or cities independent of the arrangements indicated herein which apply to all contracting cities. Also, that in such event none of the amounts paid by any city for facilities benefiting it exclusively shall be credited to that city in arriving at its future interest in the facilities constructed for the benefit of all.

SECTION 23: TEXARKANA'S Obligations to Others.

MAUD hereby acknowledges its awareness of TEXARKANA'S obligations to continue to supply through its own System the water needs of Texarkana, Arkansas, and is further aware of the terms of the contract between those two Cities

including the water priorities therein established for them; also that other area cities will execute contracts with TEXARKANA for water at the same price and otherwise under essentially the same terms as this contract, the others currently thus involved being Avery, Annona, DeKalb, Hooks, New Boston and Wake Village, Texas. MAUD further acknowledges that by means of facilities which may hereafter be provided by COMPANY or in some other manner for the treatment and transportation of water from the TEXARKANA supply, the Cities of Atlanta, Bloomburg, Leary, Nash, Douglassville, Linden, Naples, Omaha and Queen City, Texas, may receive water therefrom under appropriate contractual arrangements and that, in such event, TEXARKANA'S obligation to those Cities will be of the same nature as that to the area Cities first named, including MAUD insofar as participation in the then available supply is concerned.

SECTION 24: TEXARKANA'S Obligation to Make Water Payments.

TEXARKANA agrees that the provisions hereof relating to computations of minimum monthly payments, payments for additional water, budget determinations, water measurements and all other features which relate to making water payments shall apply to TEXARKANA in like manner as any other contracting municipality and shall be obligations of TEXARKANA with respect to water received by it for itself or Texarkana, Arkansas, through COMPANY-constructed facilities and to the same extent and with like effect as the same features are herein provided as obligations of MAUD.

SECTION 25: Effective Date.

This contract shall not become effective until

but shall become effective upon the same date upon which the Water System Agreement between TEXARKANA and COMPANY shall be effective.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

CITY OF TEXARKANA, TEXAS

ATTEST:

By

[Signature]
City Manager

[Signature]
City Secretary



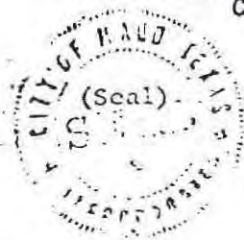
CITY OF MAUD

ATTEST:

By

[Signature]
Mayor

[Signature]
City Secretary



WATER SUPPLY CONTRACT

THE STATE OF TEXAS Y
 Y
COUNTY OF BOWIE Y

THIS CONTRACT, made and entered into this the 24th
day of June, 1969, between the CITY OF TEXARKANA, TEXAS
(hereinafter called "TEXARKANA"), a municipal corporation in Bowie
County, Texas, acting under the laws of the State of Texas, and
the CITY OF WAKE VILLAGE, TEXAS (hereinafter called "WAKE VILLAGE"),
a municipal corporation in Bowie County, Texas, acting under
the laws of the State of Texas,

W I T N E S S E T H :

WHEREAS, under arrangements with the United States
Government TEXARKANA has been allowed storage space in Texarkana
Reservoir in a manner which provides it with not to exceed 25,000
acre-feet of water per annum and which TEXARKANA is authorized to
divert and use for municipal purposes under its Permit No. 1563a
issued by the Board of Water Engineers of the State of Texas; and

WHEREAS, it has been determined that such water supply
is sufficient to meet the municipal requirements of WAKE VILLAGE
and other area cities throughout the reasonably foreseeable future;
and

WHEREAS, within the limits of the amounts which now are
or which hereafter may be available to it for municipal purposes,
TEXARKANA has agreed to supply the reasonable municipal require-
ments of such cities; and

WHEREAS, TEXARKANA has obtained from the Texas Water
Rights Commission and now possesses Permit No. 1563b, by virtue
of which it is authorized to divert and use for municipal purposes

an additional 20,000 acre-feet of water per annum (a total of 45,000 acre-feet) and for which, by contract with the United States Government and contingent upon the construction of Cooper Reservoir on the Sulphur River, TEXARKANA will possess storage space in Texarkana Reservoir, thus further insuring an adequate supply of water for all such cities; and

WHEREAS, WAKE VILLAGE desires to obtain a reliable supply of surface water for its municipal requirements such as that which may be made available to it under arrangements hereinafter set forth; and

WHEREAS, TEXARKANA expects to enter into a Water Supply System Sale-Purchase-Financing Agreement (hereinafter referred to as "Water System Agreement") with LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter referred to as the "COMPANY") by the terms of which COMPANY will construct certain improvements, extensions and betterments to its present water treatment and transportation facilities (hereinafter referred to collectively as "COMPANY facilities"), which will provide the means of treating and transporting water to WAKE VILLAGE from the Lake Texarkana supply, TEXARKANA to take possession of and maintain and operate all COMPANY facilities upon completion of the aforementioned improvements, extensions and betterments; and

WHEREAS, by the terms of said Water System Agreement COMPANY will issue and sell its bonds in a principal sum adequate to (a) discharge any COMPANY indebtedness, including bonds previously issued, for water treatment and transporting facilities heretofore constructed if, in the opinion of its financial consultants, it is necessary to do so in order to more advantageously finance anticipated improvements to such facilities; and (b) as supplemented by a \$3,000,000 grant contracted to COMPANY by the

United States of America, Secretary of Housing and Urban Development, provide sums required to construct the aforementioned improvements now anticipated for delivery of treated water to area cities including WAKE VILLAGE; and

WHEREAS, WAKE VILLAGE understands that COMPANY bonds issued in financing COMPANY facilities will be payable from revenues received by COMPANY from TEXARKANA pursuant to said Water System Agreement between said COMPANY and TEXARKANA; further that certain of the amounts pledged by TEXARKANA to meet its said obligations to COMPANY are to be derived from this Water Supply Contract between WAKE VILLAGE and TEXARKANA, thus constituting a basis for COMPANY credit in financing COMPANY facilities including those necessary in providing the means of treating and transporting water to WAKE VILLAGE under this contract; and

WHEREAS, both WAKE VILLAGE and TEXARKANA, acting through their duly constituted governing bodies, had mutually agreed upon the terms and conditions of this contract;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings herein set forth, the parties hereto agree and contract as follows:

SECTION 1: Quantity of Water - Water Charges.

(a) Upon the effective date of this contract TEXARKANA shall proceed as promptly as possible in performing its obligations under its Water System Agreement with COMPANY in order that COMPANY may construct the improvements, extensions and betterments to its present facilities which will offer WAKE VILLAGE the means of receiving water under this contract. Upon completion and acceptance of such facilities TEXARKANA will make available to WAKE VILLAGE at the point of delivery hereinafter specified treated water in an amount not to exceed 116.8 million gallons

per year to be delivered at the rate of not to exceed 0.32 million gallons per day. TEXARKANA represents that the COMPANY-constructed system capacity will permit the delivery aforementioned. Out of the total amount of water to be made available to WAKE VILLAGE it shall be entitled to take and receive within the maximum daily rate of delivery above specified an amount not to exceed 58.4 million gallons per year, for which WAKE VILLAGE agrees to make the minimum monthly payments hereinafter provided. For all amounts which it shall take within the maximum amount available for it but in excess of that to which it shall be entitled for the minimum monthly payments, WAKE VILLAGE agrees to pay such rates or charges reasonably determined by TEXARKANA as those required to provide all costs incurred in the delivery of such water. TEXARKANA agrees to undertake to supply WAKE VILLAGE water over and above the 116.8 million gallons per year first above mentioned as available to it under this agreement should the need arise and in that event and if such water cannot be delivered within the then existing system capacity, arrangements shall be accomplished by modification of the terms of this agreement as provided in Section 6 hereof. For purposes of arriving at the computations relating to price determinations TEXARKANA agrees there shall be made available for the use of itself and Texarkana, Arkansas, jointly treated water in an amount not to exceed 6,334.2 million gallons per year to be delivered at the rate of not to exceed 17.34 million gallons per day and that within said daily rate and out of said total annual availability it shall be entitled to take for their joint use an amount not to exceed 3,167.1 million gallons per year for minimum monthly payments arrived at in the same manner as

herein provided for WAKE VILLAGE'S minimum monthly payments and as will be provided for in all contracts with other area cities. The provisions hereof relating to taking and paying for water which may be received over and above that allowed for the minimum monthly payments shall be fully applicable to TEXARKANA. WAKE VILLAGE agrees that as consideration for TEXARKANA'S undertakings, and regardless of the actual quantity of water delivered, during the period that COMPANY'S bonds issued to provide and construct COMPANY facilities or any interest on such bonds are outstanding and unpaid, it will make "minimum monthly payments" to TEXARKANA adequate to discharge its pro rata part of the following items:

(1) All amounts required for amortization of COMPANY facilities, including all bonds and additional bonds required to provide and complete the facilities as planned issued by COMPANY pursuant to the terms and conditions of its bond authorizing resolutions and including, without limitation, the payment of all principal and interest, fees and charges of paying agents, and for the maintenance of any reserve, contingency or other funds specified by COMPANY'S resolutions relating to its bonds issued for providing and constructing the COMPANY facilities. The COMPANY resolutions aforementioned, their provisions and the terms and conditions of the Water System Agreement between TEXARKANA and COMPANY are fully recognized by WAKE VILLAGE in connection with its obligations to TEXARKANA hereunder. It is expressly understood, however, that after COMPANY bonds and all interest thereon

have been completely paid and discharged, the provisions of this item (1) shall no longer apply in the computation of minimum monthly payments.

(2) All amounts for which TEXARKANA may be obligated under its water storage contract with the United States Government after deducting therefrom such sums as are derived for this purpose under contracts between TEXARKANA and industrial users.

(3) All amounts reasonably required by TEXARKANA for the maintenance, operation and administration of all those properties and facilities which are received by it under contract with COMPANY. In computing the actual operating and maintenance costs of the facilities to be paid by TEXARKANA there shall be deducted any costs included therein for operating and maintaining facilities which may be provided for the delivery of industrial water out of that permitted for industrial purposes under TEXARKANA'S water permit. It is understood that at this time none of the facilities herein referred to are provided for the delivery of untreated or industrial water, but it is the intent of the parties that should the facilities be used for that purpose in the future, the charges made to the industry shall include the pro rata part of the operating and maintenance expense of the facilities in the same manner as the pro rata costs of maintaining and operating the facilities are computed for WAKE VILLAGE. In order to determine the actual costs of operating and maintaining the facilities for the purpose of computing

the amount to be paid by WAKE VILLAGE , TEXARKANA , agrees that it will keep detailed and accurate accounts showing all direct expenses of operation and maintenance including labor and materials chargeable to the source of supply, power and pumping, purification and transmission. In addition, indirect expenses such as insurance, administration and supervision, transportation clearing account, general administrative expenses including labor and supplies, telephone and telegraph expense, rents, and all other overhead expenses shall be accounted for and allocated to operation and maintenance of the facilities. Such allocation shall be made by TEXARKANA based on a detailed study which the City shall cause to be made by an independent accountant. All figures and data used in the making of such computation shall be made available for the information of WAKE VILLAGE at any reasonable time.

(4) All amounts reasonably required to pay COMPANY administration expenses attributable directly to its activities under the Water System Agreement between COMPANY and TEXARKANA.

(b) WAKE VILLAGE agrees to pay in monthly installments all requirements aforementioned and to promptly pay as billed all monthly sums required to meet its pro rata part of the items set forth in subparagraph (a)(1) of this Section 1 relating to COMPANY bond requirements regardless of whether there are any other charges then due.

(c) Operation of COMPANY facilities shall conform to a fiscal or budget year beginning October 1st of each year and ending September 30th of the following year.

(d) On or prior to the 15th day of the second month preceding that in which COMPANY'S consulting engineers shall indicate that water may be made available for WAKE VILLAGE'S use, the governing officials of TEXARKANA shall make a determination of all amounts anticipated as being required by TEXARKANA for items (1), (2), (3) and (4) of paragraph (a), such amounts to form the basis of a minimum monthly payment which shall be independent of the amount of water actually delivered to WAKE VILLAGE by TEXARKANA.

(e) The determination called for in paragraph (d) above shall be made no later than the 15th day of May of the year next succeeding that in which water may be made available to WAKE VILLAGE and shall relate not only to the requirements of the balance of the fiscal year then in progress, if any, but also to the requirements of the next succeeding fiscal year.

(f) Determinations similar to that described in paragraph (d) shall be made annually thereafter on or prior to the 10th day of May each year with respect to the succeeding fiscal year.

(g) Based upon the aforementioned determinations and within ten (10) days thereafter, the governing officials of the City of TEXARKANA shall cause to be prepared and its City Council shall preliminarily approve a budget reflecting all items which shall make up the total requirements attributable to COMPANY facilities and which must be provided for in the ensuing fiscal year or, if appropriate, the balance of the then current fiscal

year. As regards water taken by WAKE VILLAGE over and above that to which it shall be entitled for the minimum monthly payment, it is agreed that in the preparation of each annual budget TEXARKANA shall make and present calculations relating to the charges estimated to be required for delivery of such additional water in the succeeding fiscal year, in like manner as herein stated with respect to annual budget procedures and the determination of minimum monthly payments. The Board of Directors of COMPANY shall be furnished a copy of such budget within seven (7) days after its preliminary approval by the TEXARKANA City Council and COMPANY may indicate exceptions or suggestions, if any, within ten (10) days after receipt. Due consideration shall be given any exception or suggestion made by COMPANY'S Board of Directors and shall be incorporated insofar as consistent with TEXARKANA'S rights and obligations under its Water System Agreement with COMPANY, its rights and obligations under its contract with all contracting cities including WAKE VILLAGE, and consistent with its Lake Texarkana storage space contract with the United States Government. If for any reason it becomes apparent that the amount of any minimum or other payment made or to be made to TEXARKANA by WAKE VILLAGE under an annual budget previously adopted is either insufficient or excessive, the parties agree that such shall be taken into consideration in the preparation of the succeeding year's budget and the amounts therein provided for charge to WAKE VILLAGE adjusted up or down accordingly. Reasons for any increase or decrease in such charges shall be set forth by TEXARKANA in the succeeding year's budget. Among other features the budget aforementioned shall contain schedules of the minimum monthly payments to be made by each city contracting

with TEXARKANA to TEXARKANA each month during the budget year. So long as COMPANY bonds issued to provide COMPANY facilities herein referred to or any interest thereon remain outstanding and unpaid, and beginning with payments which shall become due on the 1st day of the sixth month next preceding the first month in which COMPANY shall be obligated to pay interest, and on the 1st day of each month thereafter, the scheduled minimum monthly payments shall contain not less than an amount equal to one-sixth ($1/6$) of the next succeeding installment of interest, and, in addition, beginning on the 1st day of the twelfth month next preceding the first month in which COMPANY shall be obligated to pay principal, and on the 1st day of each month thereafter, not less than one-twelfth ($1/12$) of the next succeeding installment of principal of all COMPANY bonds. Further, paying agent and other bond service charges shall be included in the scheduled monthly payments in such manner as will permit TEXARKANA to forward COMPANY all amounts required for satisfying and discharging COMPANY'S bond obligations in due and proper time.

(h) The budgeted amounts for which each contracting city, including WAKE VILLAGE and TEXARKANA, shall be obligated as minimum monthly payments shall be computed upon the percentage that the amount of water to be made available by TEXARKANA to each such contracting city for its minimum monthly payments shall bear to the amount of water to be made available by TEXARKANA to all contracting cities, including WAKE VILLAGE and TEXARKANA, for minimum monthly payments during the budget year.

(i) It is agreed and understood that TEXARKANA will prepare and furnish WAKE VILLAGE monthly bills or statements for all amounts reflected as being required under the provisions

of TEXARKANA'S then current budget arrangements (supplemented if necessary) so that same shall be received by WAKE VILLAGE on or prior to the 1st day of the month in which the bill shall be payable. Bills shall be payable no later than the 15th day of the month in which payable and WAKE VILLAGE agrees it will promptly remit to TEXARKANA all amounts as billed so as to reach it on or before that day. The first billing shall be made so as to become payable on the 15th day of the second month next succeeding the first month TEXARKANA City Council determinations are made in accordance with the provisions hereof.

(j) Should WAKE VILLAGE fail to make any payments at the times herein specified, interest on such amounts shall accrue at the rate of six per centum (6%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, TEXARKANA may, at its option, discontinue delivery of the water to WAKE VILLAGE until the amount due TEXARKANA is paid in full with interest as herein specified. Such discontinuance shall not relieve WAKE VILLAGE of its obligation to make the payments required by this Section.

SECTION 2: Water Quality.

Water delivered under this contract shall be of the same quality as that distributed by TEXARKANA to its own consumers and customers. Furthermore, TEXARKANA agrees to operate the treatment and transmission facilities in such manner as will assure the approval of the Health Department of the State of Texas.

SECTION 3: Point of Delivery.

The point of delivery of the aforementioned water to Wake Village shall be at a ground storage tank situated on a site in the Nancy Dycus H.R.S., said site being approximately 0.85 Acres lying north of and adjoining Block No. 3, Greenfield Addition to the City of Wake Village, Bowie County, Texas.

SECTION 4: Water Measurement.

(a) Pursuant to its contract with TEXARKANA, COMPANY shall furnish and install at said point of delivery a master meter of standard type for measuring properly the quantity of water delivered WAKE VILLAGE under this contract, such to be operated and maintained by and at the expense of TEXARKANA. Both TEXARKANA and WAKE VILLAGE shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by employees or agents of TEXARKANA. TEXARKANA shall keep a true record of all meter readings as transcribed from reports of its employees or agents with respect thereto. TEXARKANA shall give WAKE VILLAGE such information as it may request from TEXARKANA'S journals or record books or permit WAKE VILLAGE and its agents to have access to same during business hours.

(b) TEXARKANA shall calibrate (or arrange for calibration of) its metering equipment as often as it considers necessary and at such time as WAKE VILLAGE may show reasonable evidence of error. If, upon any test, the percentage of any inaccuracy thereof is found to be in excess of 2%, registration thereof shall be corrected for a period extending back to the time such inaccuracy began, if such time is ascertainable, and

if not, then for a period extending back one-half of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. In the event WAKE VILLAGE has provided no check meter with reference thereto and if for any reason any master meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meter is out of service or out of repair shall be agreed upon by the parties hereto, by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculations, or by estimating the quantity of water by the deliveries made during preceding periods under similar conditions when the meter was registering accurately.

SECTION 5: Contract Term - WAKE VILLAGE'S Rights at End of Term.

This contract and the obligation of WAKE VILLAGE to promptly make all prescribed monthly payments shall continue for the period that any of COMPANY'S bonds supported by said payments and issued to finance COMPANY facilities are outstanding and unpaid. At the end of such term, and when all such bonds and interest thereon have been paid or discharged, or when firm banking arrangements have been established to that end, TEXARKANA agrees WAKE VILLAGE shall have the right to an extension of the term of this contract beyond such initial period under such arrangements as shall be agreed upon between TEXARKANA and WAKE VILLAGE at the time, taking into consideration any change in quantity desired by WAKE VILLAGE, the availability thereof and the costs involved in making deliveries to WAKE VILLAGE. Determinations of charges shall then be made as herein provided for the original

term except that the COMPANY bond requirements shall not be involved as a factor.

SECTION 6: Modification of Provisions.

This contract may be changed and modified only with the consent of the governing bodies of both TEXARKANA and WAKE VILLAGE. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice.

At such joint meeting the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by WAKE VILLAGE under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any of the provisions of the resolutions authorizing the issuance of COMPANY'S bonds or any indentures securing such bonds. If for any reason WAKE VILLAGE may desire the construction of any additional facilities over and above those now contemplated and provided same are within the legal and economic capabilities of TEXARKANA, provision therefor shall be made by means of a supplement or amendment hereto, the terms of which are to be negotiated between the parties. Should TEXARKANA desire to construct any such additional facilities, either for the purpose of meeting its obligations to WAKE VILLAGE, or for other reasons, TEXARKANA shall not proceed with any work on such facilities, other than preliminary planning, without following the procedures described in this Section 6.

SECTION 7: Regulatory Provisions.

This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the

United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 8: Sales or Use Taxes.

In the event any sales or use taxes, or taxes of any similar nature, are hereafter imposed upon the gathering, taking, sale, use or consumption of the water received by WAKE VILLAGE under this contract, the amount of such taxes shall be borne by WAKE VILLAGE, in addition to all other charges, and whenever TEXARKANA shall be required to pay, collect, or remit any such taxes on water received by WAKE VILLAGE, then WAKE VILLAGE shall promptly reimburse TEXARKANA therefor.

SECTION 9: Unit of Measurement.

The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U. S. Standard Liquid Measure.

SECTION 10: Title to Water.

Title to all water supplied under this agreement shall remain in TEXARKANA to the point of delivery, and upon passing through the meter installed at that point, title to the water shall pass to WAKE VILLAGE. Each party hereto agrees to save and hold the other harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, delivery and disposal of said water while title remains in such party.

SECTION 11: Easements.

WAKE VILLAGE agrees that TEXARKANA may have and assign to COMPANY such easements over any easements, right of way or property held by WAKE VILLAGE so that the COMPANY

facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 12: Nature of WAKE VILLAGE'S Obligation -
Not Payable by Taxation.

(a) The payments required to be made by WAKE VILLAGE under the terms of Section 1 hereof shall be due and payable as therein specified in any and all events and regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the construction program and regardless of whether the facilities shall have been wholly or partially destroyed or damaged, and regardless of whether TEXARKANA shall have tendered water to WAKE VILLAGE. The agreements of WAKE VILLAGE to make the payments required are separate and independent covenants and WAKE VILLAGE shall have no right of set-off, recoupment or counterclaim. The foregoing provisions of this paragraph, however, shall not apply (1) to any payments under Section 1 in respect of any period during which WAKE VILLAGE shall not be tendered any water by the wrongful affirmative act of TEXARKANA; (2) to any payments in respect of any period during which TEXARKANA shall refuse to continue arrangements under its contract with COMPANY for completion of the facilities through its wrongful affirmative act. TEXARKANA shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation. Any obligations assumed or imposed on WAKE VILLAGE hereunder shall never be construed as a debt of WAKE VILLAGE of any kind as to require it under the Constitution and laws of this State to levy and collect taxes to discharge such obligation, it being expressly understood by the parties hereto that the funds required for all payments due by WAKE VILLAGE are to

be collected from the sources referred to in the next succeeding Section 13. WAKE VILLAGE agrees to operate and maintain its water system in such manner and to make such charges for the water and services supplied thereby to all consumers so that the revenues derived therefrom will always be adequate to enable WAKE VILLAGE to promptly make all payments due TEXARKANA under the provisions of this agreement. All payments so made shall be deemed expenses of maintaining and operating the WAKE VILLAGE water system.

(b) It is understood that at this time TEXARKANA is not in position to guarantee the construction of the improvements, extensions and betterments to COMPANY facilities or the date on which water may first be made available to WAKE VILLAGE. TEXARKANA agrees, however, to make diligent efforts to provide the additional facilities through its contract with COMPANY, but is not to be liable to WAKE VILLAGE for any damages occasioned by delay unless such is attributable to the fault of TEXARKANA. It is further understood that any obligation on the part of TEXARKANA is conditioned upon the successful sale of COMPANY bonds in the amounts required to provide the improvements, extensions and betterments to its present facilities in order to make possible delivery of water to WAKE VILLAGE under this contract.

SECTION 13: Priority of TEXARKANA'S Charges - WAKE VILLAGE to Fix Adequate Rates.

(a) WAKE VILLAGE represents and covenants that all payments to be made hereunder shall constitute "operating expenses" of its Waterworks System with the effect that the obligation to make such payments from its Waterworks revenues under this contract shall be an operating expense as defined by Article 1113 of the Revised Civil Statutes of Texas, 1925, as amended.

(b) WAKE VILLAGE further agrees to fix and collect such rates and charges for water services to its customers as will, in combination with any other funds legally available and reasonably assured for the purpose, make possible the prompt payment of all expenses of operating and maintaining its Water System and all payments contracted hereunder.

SECTION 14: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this agreement, other than the obligation of WAKE VILLAGE to make the payments required under the terms of Section 1 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure", shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of public enemy, orders or actions of any kind of the Government of the United States or of the State of Texas, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, or canals or other structures or machinery, partial or entire failure of water supply and inability on the

part of TEXARKANA to deliver water hereunder, or of WAKE VILLAGE to receive water, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of TEXARKANA to meet any obligation by reason of force majeure shall relieve WAKE VILLAGE from its obligations to make the payments required under the terms of Section 1 hereof.

(b) No damage shall be recoverable from TEXARKANA by reason of the suspension of delivery of water due to any of the causes above mentioned. If TEXARKANA'S ability to deliver water to WAKE VILLAGE is affected by any of such causes, TEXARKANA shall promptly notify WAKE VILLAGE in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption. If the supply of water available to TEXARKANA is insufficient for any reason to serve the requirements of all of its customers, then the available amount of water will be allocated by TEXARKANA so as to meet the requirements of its various customers in accordance with their respective needs.

(c) It is expressly recognized by WAKE VILLAGE that TEXARKANA may be compelled to make necessary alterations, repairs or extensions of new or additional water transporting facilities from time to time during the life of this contract and any suspension of delivery to WAKE VILLAGE due to such operation shall

not be cause for claim of damage on part of TEXARKANA provided all reasonable effort is used by TEXARKANA to provide WAKE VILLAGE with water in accordance with this contract. In such case TEXARKANA shall give WAKE VILLAGE as much advance notice as may be practicable of the suspension of delivery and of the estimated duration thereof.

SECTION 15: Notices.

Any notice, request, demand, statement, or bill provided for in this agreement shall be in writing and shall be considered to have been duly delivered when sent by registered mail, addressed to the City Secretary, City Hall, Texarkana, Texas, or to the City Clerk, City Hall, Wake Village, Texas, as the case may be, except that routine communications may be sent by ordinary mail and except that either party may, by the filing of an appropriate written notice to the other, specify some other individual to whom communications thereafter are to be addressed.

SECTION 16: Severability.

The parties hereto agree that if any of the provisions of this contract contravene or be held invalid under the laws of this State, same shall not invalidate the whole agreement but it shall be construed as though not containing that particular provision and the rights and obligations of the parties shall be construed and in force accordingly.

SECTION 17: Pledge.

It is recognized that the proceeds of this contract are to be pledged by TEXARKANA under its Water System Agreement with COMPANY for the payment of COMPANY bonds and in such respect WAKE VILLAGE agrees that COMPANY may enforce any obligations owed

it by TEXARKANA should TEXARKANA for any reason fail to pursue appropriate remedies against WAKE VILLAGE for the enforcement of the payments which are to be derived for the payment of COMPANY indebtedness.

SECTION 18: Services by WAKE VILLAGE Outside Its Limits.

The parties agree that rates charged by WAKE VILLAGE for water supplied areas and customers outside its corporate limits may be greater than those charged for water supplied within its limits. WAKE VILLAGE, however, agrees to submit all such rate schedules to TEXARKANA and COMPANY.

SECTION 19: Acknowledgment and Acceptance by WAKE VILLAGE of TEXARKANA-COMPANY Water System Agreement.

WAKE VILLAGE acknowledges that it has been furnished a copy of the Water System Agreement proposed between TEXARKANA and COMPANY, understands the provisions thereof and their effect upon WAKE VILLAGE, including, without limitation, those relating to the right and obligation of COMPANY, upon default by TEXARKANA, to take over, operate and maintain all facilities and otherwise perform all other functions of TEXARKANA in the event COMPANY shall become repossessed of such facilities under the vendor's lien retained in the conveyances to TEXARKANA, including, further, its obligation thereupon to make budget determinations and billings for water services under the procedures hereinabove set forth with relation to the same subjects while the facilities are under TEXARKANA'S possession and control.

SECTION 20: Advisory Committee.

Concurrently with the execution of this contract WAKE VILLAGE will appoint one of the members of its governing body or one of its officers or employees as a member of an Advisory

Committee which will be composed of one member appointed by each City which may contract with TEXARKANA for a water supply. The function of this Committee will be to consult and advise with representatives of TEXARKANA concerning future plans for expansion, methods for improved service, and other matters of mutual interest. Said Committee may make recommendations with reference to any related matters to the TEXARKANA City Council. TEXARKANA shall keep the Committee advised as to current status of financing, planning, construction and operation of the water supply facilities.

SECTION 21: WAKE VILLAGE'S Future Interest in Facilities.

It is agreed by TEXARKANA that at such time as all bonds or other indebtedness incurred in connection with the acquisition and construction of System facilities by COMPANY have been fully paid and discharged, TEXARKANA will, upon WAKE VILLAGE'S request, convey to WAKE VILLAGE an undivided interest in such facilities equal to that percentage which the amount paid by WAKE VILLAGE under this contract applied in discharging principal of bond obligations issued by COMPANY bears to the amount paid by all other contracting municipalities, including TEXARKANA, which has been applied in discharging principal of bond obligations issued by COMPANY, each of whom shall be entitled to a like conveyance representing their proportionate contributions of like nature during the period aforementioned. In this connection it is understood that TEXARKANA, Texas, on behalf of itself and Texarkana, Arkansas, shall, prior to crediting it with the amounts as above provided, first have credit on COMPANY books for the amount derived from those two Cities and employed in discharging principal of the bond obligations of Texarkana Water Supply Corporation prior to its merger with COMPANY. At the time of any

conveyance under the foregoing provisions, the parties agree that they will, by revision or modification of this contract, provide appropriate arrangements for the continued operation and maintenance of the facilities according to circumstances at the time. It is further provided that should the facilities ever be sold to any other person or corporation, WAKE VILLAGE shall be paid a percentage of the money received, arrived at in the same manner as aforementioned with regard to possible conveyances, provided that the System shall not be sold at any time during which the aforementioned COMPANY bonds or any interest thereon are outstanding and unpaid unless provision for discharge thereof has been made under firm banking arrangements.

SECTION 22: Specially Constructed Facilities to be Paid for Exclusively by Those Benefiting.

It is understood that COMPANY may be called upon to finance and construct some facilities which will be for the exclusive benefit of one or more contracting cities and that in such event all of the related costs will be billed to and collected only from the benefiting city or cities independent of the arrangements indicated herein which apply to all contracting cities. Also, that in such event none of the amounts paid by any city for facilities benefiting it exclusively shall be credited to that city in arriving at its future interest in the facilities constructed for the benefit of all.

SECTION 23: TEXARKANA'S Obligations to Others.

WAKE VILLAGE hereby acknowledges its awareness of TEXARKANA'S obligations to continue to supply through its own System the water needs of Texarkana, Arkansas, and is further aware of the terms of the contract between those two Cities

including the water priorities therein established for them; also that other area cities will execute contracts with TEXARKANA for water at the same price and otherwise under essentially the same terms as this contract, the others currently thus involved being Avery, Annona, DeKalb, Hooks, Maud, and New Boston, Texas. WAKE VILLAGE further acknowledges that by means of facilities which may hereafter be provided by COMPANY or in some other manner for the treatment and transportation of water from the TEXARKANA supply, the Cities of Atlanta, Bloomburg, Leary, Nash, Douglassville, Linden, Naples, Omaha and Queen City, Texas, may receive water therefrom under appropriate contractual arrangements and that, in such event, TEXARKANA'S obligation to those Cities will be of the same nature as that to the area Cities first named, including WAKE VILLAGE insofar as participation in the then available supply is concerned.

SECTION 24: TEXARKANA'S Obligation to Make Water Payments.

TEXARKANA agrees that the provisions hereof relating to computations of minimum monthly payments, payments for additional water, budget determinations, water measurements and all other features which relate to making water payments shall apply to TEXARKANA in like manner as any other contracting municipality and shall be obligations of TEXARKANA with respect to water received by it for itself or Texarkana, Arkansas, through COMPANY-constructed facilities and to the same extent and with like effect as the same features are herein provided as obligations of WAKE VILLAGE.

SECTION 25: Effective Date.

This contract shall not become effective until

but shall become effective upon the same date upon which the Water System Agreement between TEXARKANA and COMPANY shall be effective.

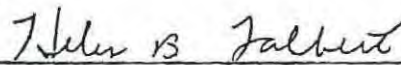
IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

CITY OF TEXARKANA, TEXAS

By


City Manager

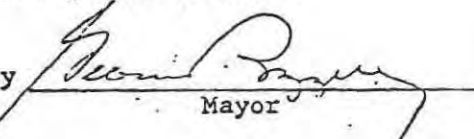
ATTEST:


City Secretary

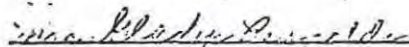
(Seal)

CITY OF WAKE VILLAGE

By


Mayor

ATTEST:


City Clerk

(Seal)

CA 179-V351

STATE OF TEXAS, I

WAKE VILLAGE/TEXARKANA, BELMONT AGREEMENT

COUNTY OF BOWIE I

The parties to this contract, the City of Wake Village, Texas (referred to as "Wake Village") and the City of Texarkana, Texas (referred to as "Texarkana") on the date last indicated below, contracted and agreed as set forth herein.

Belmont Addition (referred to as "Belmont") is located in Texarkana. It is desirable and beneficial to the parties that Wake Village supply water and sewer services to Belmont. Wake Village is hereby authorized to furnish such water and sewer services to Belmont, within the city limits of Texarkana, Texas, in accordance with the terms hereof.

1. Texarkana shall own, maintain and operate the water and sewer system in Belmont, except as indicated below.
2. Wake Village shall supply all water service to Belmont, including but not limited to that for domestic use and fire protection.
3. The quality of the water supplied to Belmont shall be maintained by Wake Village to Texarkana and State Health Department Standards.
4. Texarkana shall promptly and efficiently repair any leaks or defects in the Belmont water and sewer system.
5. Wake Village shall supply sewer treatment and all related services and facilities for Belmont, including but not limited to the main trunk lines.
6. Texarkana shall read all meters, and bill and collect water and sewer charges from each customer at the same rate charged in other parts of Texarkana for the same service.
7. One-half of the revenue collected for water and sewer service from Belmont shall be paid over to Wake Village by Texarkana, as consideration for the services rendered by Wake Village herein.
8. The term of this contract shall continue for a period of ten (10) years from the date hereof, with Texarkana to have an option to renew for an additional period of ten (10) years. This contract may be changed or modified only with the consent of the governing bodies of both Texarkana and Wake Village, such modification may be requested by either party.

EXECUTED on this _____ day of December, 1979.

ATTEST:

Charles H. Talbert
HELEN B. TALBERT, City Secretary

APPROVED AS TO LEGALITY AND FORM:

Paul B. Higgins
PAUL B. HIGGINS, City Attorney

CITY OF TEXARKANA, TEXAS

BY: Stuart A. Bach
STUART A. BACH, City Manager

CITY OF WAKE VILLAGE

BY: Edward H. Bach
MAYOR

ATTEST:

Myron O. Arsenault
City Secretary

#13

CA #79-0345

STATE OF TEXAS I
COUNTY OF BOWIE I

WAKE VILLAGE/TEXARKANA, K-MART AGREEMENT

The parties to this contract, the City of Wake Village, Texas (referred to as "Wake Village") and the City of Texarkana, Texas (referred to as "Texarkana"), on the date indicated last below, contracted and agreed as set out herein.

K-Mart is going to locate a business establishment upon real property located in Texarkana and more particularly described in attached Exhibit "A". Parties have agreed that both will be benefited if Wake Village supplies the water and sewer services to K-Mart at this location. Therefore, Wake Village is hereby authorized to furnish such water and sewer service to K-Mart, within the city limits of Texarkana, Texas, in accordance with the terms hereof.

1. Wake Village shall provide K-Mart with all water and sewer service and facilities, normally provided by a city, including but not limited to that for domestic use and fire protection.
2. Wake Village shall maintain those water and sewer mains and facilities serving K-Mart, located in Wake Village.
3. Each city shall provide necessary easements located within its city limits, and title thereto shall vest in the providing city. Upon the termination of this contract, all mains and other improvements locating in or upon said easements shall vest in the record owner of said easements. All water and sewer installations shall be in accordance with Texarkana requirements. Texarkana shall have the right and authority to review all plans and specifications for such installations and none shall be installed if not approved by Texarkana. All water supplied to K-Mart shall meet all the standards of Texarkana.
4. Wake Village shall bill K-Mart directly for all water and sewer services, and collect the same, but such charges shall not be for less than rates for the same services charged by Texarkana.
5. The term of this contract shall continue for a period of ten (10) years from the date hereof, with Texarkana to have an option to renew for an additional period of ten (10) years. This contract may be changed or modified only with the consent of the governing bodies of both Texarkana and Wake Village, such modification may be requested by either party.

EXECUTED on this ____ day of December, 1979.

CITY OF TEXARKANA, TEXAS

BY: Stuart A. Bach
STUART A. BACH, City Manager

ATTEST:

Christie Hardin
HELEN D. TALBERT, City Secretary
Acting

APPROVED AS TO LEGALITY AND FORM:

Paul B. Higgins
PAUL B. HIGGINS, City Attorney

CITY OF WAKE VILLAGE

BY: _____
MAYOR

ATTEST:

City Secretary

A # 79-0345

STATE OF TEXAS §
 § WAKE VILLAGE/TEXARKANA, K-MART AGREEMENT
 COUNTY OF BOWIE §

The parties to this contract, the City of Wake Village, Texas (referred to as "Wake Village") and the City of Texarkana, Texas (referred to as "Texarkana"), on the date indicated last below, contracted and agreed as set out herein.

K-Mart is going to locate a business establishment upon real property located in Texarkana and more particularly described in attached Exhibit "A". Parties have agreed that both will be benefited if Wake Village supplies the water and sewer services to K-Mart at this location. Therefore, Wake Village is hereby authorized to furnish such water and sewer service to K-Mart, within the city limits of Texarkana, Texas, in accordance with the terms hereof.

1. Wake Village shall provide K-Mart with all water and sewer service and facilities, normally provided by a city, including but not limited to that for domestic use and fire protection.
2. Wake Village shall maintain those water and sewer mains and facilities serving K-Mart, located in Wake Village.
3. Each city shall provide necessary easements located within its city limits, and title thereto shall vest in the providing city. Upon the termination of this contract, all mains and other improvements locating in or upon said easements shall vest in the record owner of said easements. All water and sewer installations shall be in accordance with Texarkana requirements. Texarkana shall have the right and authority to review all plans and specifications for such installations and none shall be installed if not approved by Texarkana. All water supplied to K-Mart shall meet all the standards of Texarkana.
4. Wake Village shall bill K-Mart directly for all water and sewer services, and collect the same, but such charges shall not be for less than rates for the same services charged by Texarkana.
5. If requested by Wake Village, Texarkana will provide water and sewer services to the land within the city limits of Wake Village that lies East of Loop 151, provided however, that Texarkana shall not be required to construct or be financially liable for construction of water or sewer lines related to the provision of water or sewer service to the said area.
6. The term of this contract shall continue for a period of ten (10) years from the date hereof, with Texarkana to have an option to renew for an additional period of ten (10) years. This contract may be changed or modified only with the consent of the governing bodies of both Texarkana and Wake Village, such modification may be requested by either party.

EXECUTED on this 25th day of March, 19 80.

CITY OF TEXARKANA, TEXAS

ATTEST:

BY: Stuart A. Bach
 STUART A. BACH, City Manager

Christie Hardin
 CHRISTIE HARDIN, City Secretary

CITY OF WAKE VILLAGE, TEXAS

ATTEST:

BY: Edward H. Leach, Jr.
 EDWARD H. LEACH, JR., Mayor

City Secretary

APPROVED AS TO LEGALITY AND FORM:

James R. Hallman Jr. *att. city*
 PAUL B. HIGGINS, City Attorney

CA 9-0345

STATE OF TEXAS |
 WAKE VILLAGE/TEXARKANA, K-MART AGREEMENT
COUNTY OF BOWIE |

The parties to this contract, the City of Wake Village, Texas (referred to as "Wake Village") and the City of Texarkana, Texas (referred to as "Texarkana"), on the date indicated last below, contracted and agreed as set out herein.

K-Mart is going to locate a business establishment upon real property located in Texarkana and more particularly described in attached Exhibit "A". Parties have agreed that both will be benefited if Wake Village supplies the water and sewer services to K-Mart at this location. Therefore, Wake Village is hereby authorized to furnish such water and sewer service to K-Mart, within the city limits of Texarkana, Texas, in accordance with the terms hereof.

1. Wake Village shall provide K-Mart with all water and sewer service and facilities, normally provided by a city, including but not limited to that for domestic use and fire protection.
2. Wake Village shall maintain those water and sewer mains and facilities serving K-Mart, located in Wake Village.
3. Each city shall provide necessary easements located within its city limits, and title thereto shall vest in the providing city. Upon the termination of this contract, all mains and other improvements locating in or upon said easements shall vest in the record owner of said easements. All water and sewer installations shall be in accordance with Texarkana requirements. Texarkana shall have the right and authority to review all plans and specifications for such installations and none shall be installed if not approved by Texarkana. All water supplied to K-Mart shall meet all the standards of Texarkana.
4. Wake Village shall bill K-Mart directly for all water and sewer services, and collect the same, but such charges shall not be for less than rates for the same services charged by Texarkana.
5. If requested by Wake Village, Texarkana will provide water and sewer services to the land within the city limits of Wake Village that lies East of Loop 151. Texarkana will not be required to construct any water or sewer mains.
6. The term of this contract shall continue for a period of ten (10) years from the date hereof, with Texarkana to have an option to renew for an additional period of ten (10) years. This contract may be changed or modified only with the consent of the governing bodies of both Texarkana and Wake Village, such modification may be requested by either party.

EXECUTED on this _____ day of _____, 19__.

CITY OF TEXARKANA, TEXAS

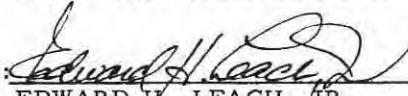
ATTEST:

BY: _____

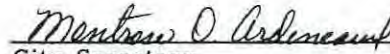
STUART A. BACH,
City Manager_____
City Secretary

CITY OF WAKE VILLAGE, TEXAS

BY: _____


EDWARD H. LEACH, JR.,
Mayor

ATTEST:


City Secretary

APPROVED AS TO LEGALITY AND FORM:

PAUL B. HIGGINS,
City Attorney

EXHIBIT C

**2010 extensions of 1969 water supply contracts between Member Entity
and the “Texas contracting cities”**

**Extension and Amendment
to
Water Supply Contract**

This Extension and Amendment to Water Supply Contract ("the Extension") is entered into by the City of Texarkana, Texas ("Texarkana"), and the City of Annona, Texas ("Contracting City").

WHEREAS, by Resolution 117-65 dated December 17, 1965, the City Council of Texarkana authorized its City Manager, acting on behalf of Texarkana and as agent for Contracting City and other identified Texas cities, to make application to state authorities for Texarkana to be designated as cooperating local sponsor to negotiate with the United States Army Corps of Engineers for contractual rights to use additional water conservation storage space and to acquire a water permit in the Texarkana Reservoir, now called Lake Wright Patman Reservoir; and

WHEREAS, in the "Amended Application for Permit to Appropriate Public Water", No. 2552, signed by the City Manager of Texarkana on September 14, 1967, and filed with the Texas Water Rights Commission, Texarkana expressed its purpose and intent to administer the water sought for the purpose of serving not only the needs of Texarkana, but also those of Contracting City and other identified Texas cities equitably as their requirements may develop; and upon receipt of Application No. 2552, the Texas Water Rights Commission, on April 18, 1968, issued Permit No. 1563b, the particulars of which are stated in the Water Supply Contract between Texarkana and Contracting City made and entered the Contract on June 24, 1969 ("the Contract"); and

WHEREAS, Section 5 of the Contract provides in part that the Contract and the obligations of Contracting City to make prescribed monthly payments shall continue for the period that any of the Lake Texarkana Water Supply Corporation ("LTWSC") bonds are outstanding and unpaid; and

WHEREAS, LTWSC bonds have been paid, and LTWSC involuntarily dissolved effective March 21, 2007; and

WHEREAS, Section 5 of the Contract also provides in part that when LTWSC bonds have been paid, Contracting City has the right to an extension of the Contract, taking into consideration of any change in quantity desired by Contracting City, the availability thereof, and the costs involved in making deliveries to Contracting City, and Contracting City chooses to exercise its right to an extension of the Contract; and

WHEREAS, consistent with Sections 20 and 23 of the Contract, Texarkana and Contracting City, together with other Texas municipalities, on May 6, 2008, entered into an Interlocal Cooperation Agreement pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to work cooperatively to create a new water district functioning under the authority of Article 16, Section 59 of the Texas Constitution, and expressly agreed to identify and implement the means and methods of creating the new water district, including the development of enabling legislation, hiring of engineers, and identifying assets and property rights that the district would need to acquire or otherwise secure to effectuate its purposes, including those assets and property rights under existing water contracts between the parties that would be transferred to the district as a result of the parties agreeing to supersede those existing contracts for the creation of the district; and

WHEREAS, the 81st Texas Legislature, in regular session, enacted S.B. 1223 creating the new water district, Riverbend Water Resources District (“Riverbend”), codified in Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601, effective June 19, 2009, and Texarkana, Contracting City, and other Texas cities (“the other Riverbend cities”) are statutory members of Riverbend [see TEX. SPEC. DIST. LOC. LAWS CODE § 9601.005]; and

WHEREAS, pursuant to the Interlocal Cooperation Act, the parties to an interlocal contract may designate an existing local government to supervise the performance of an interlocal contract [TEX. GOV’T CODE § 791.013], and since Riverbend is an existing local government as defined under the Act [TEX. GOV’T CODE § 791.003(4)(A)], Contracting City desires to designate Riverbend to supervise the performance of the Contract and Extension for a specified fee to be paid by Contracting City, and Texarkana is agreeable to such designation.

NOW THEREFORE, pursuant to Chapter 791 of the Texas Government Code, and in consideration of the premises and the mutual promises, covenants and agreements contained herein, Texarkana and Contracting City hereby agree as follows:

1. Extension and Renewal

- 1.1 The Contract is extended for an additional five-year term and shall automatically renew for subsequent, one-year terms, unless terminated pursuant to paragraph 5.
- 1.2 The Contract remains in full force and effect except as otherwise amended herein or rendered obsolete by virtue of LTWSC bonds being completely paid and the involuntary dissolution of LTWSC.
- 1.3 Texarkana reaffirms its Resolution 117-65 dated December 17, 1965, and its Application No. 2552 signed by the City Manager of Texarkana on September 14, 1967, for the purposes stated therein.

2. Riverbend to Supervise Performance

- 2.1 Contracting City designates Riverbend to supervise the performance of the Contract and Extension.
- 2.2 Contracting City shall pay Riverbend a fee for its supervisory services as specified in Section 3.2.2 of this Extension.

3. Contracting City’s Monthly Payment

- 3.1 *Billing and Tender of Payment.* Monthly billing to Contracting City shall issue from the Chief Financial Officer of Texarkana. Contracting City’s Monthly Payment under Section 1 of the Contract, as amended by this section 3 of the Extension, shall be tendered to Texarkana’s Chief Financial Officer.

- 3.2 *First Year of Term.* During the first year of the extension term, Contracting City's Monthly Payment under Section 1 of the Contract shall be set at \$0.70 per 1,000 gallons of potable water supplied to Contracting City, calculated as follows:
- 3.2.1 *Potable Water Rate.* The agreed rate for potable water under the Contract shall be set at \$0.655 per 1,000 gallons of water supplied to Contracting City.
- 3.2.2 *Riverbend Fee.* Contracting City dedicates from its own revenues an additional \$0.045 per 1,000 gallons of potable water supplied to Contracting City, which shall be paid to Riverbend as the fee for its supervision of the Contract and Extension.
- 3.3 *Texarkana to Forward Riverbend Fee.* Contracting City acknowledges that the other Riverbend cities have water supply contracts with Texarkana and are entering into extensions of those contracts in substantially similar terms as this Extension. Upon receipt of Contracting City's Monthly Payment and the monthly payments from the other Riverbend cities, Texarkana shall forward to Riverbend one check which shall constitute the aggregate of the Riverbend Fee received from Contracting City and the other Riverbend cities during the given month.
- 3.4 *Subsequent Years of Term.* Contracting City's Monthly Payment under Section 1 of the Contract during subsequent years of the extension term shall be determined in the following manner:
- 3.4.1 No later than August of each calendar year, the parties shall confer and compare trend data and past usage of potable water with the actual billing (the "true-up" process). No later than November of each calendar year, the parties shall reach a consensus on the next year's Monthly Payment. To facilitate Contracting City's preparation of an annual budget, the Potable Water Rate component of the Monthly Payment shall be an averaged, fixed monthly charge, computed on an annual basis.
- 3.4.2 Riverbend shall be Contracting City's agent during the "true-up" process. Any adjustment to the Riverbend Fee shall also be evaluated and determined by Contracting City and Riverbend.
- 3.4.3 If, during the "true-up" process, it is determined that the past year's actual billing of the Potable Water Rate:
- 3.4.3.1 exceeds the past year's usage, then, a commensurate discount shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.
- 3.4.3.2 is less than the past year's usage, then, a commensurate premium shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.

- 3.4.4 The consensus amount for the next year's Monthly Payment shall be placed on the November agenda of a meeting of the Riverbend Board of Directors as a single action item. Texarkana's director on the Riverbend board shall formally recommend the next year's Potable Water Rate, and Riverbend's Executive Director/General Manager shall formally recommend the new Riverbend Fee. A simple majority vote of the Riverbend Board of Directors in favor of the new Monthly Payment shall establish, for Contracting City, the new Monthly Payment under this Extension for the subsequent year of the term.
- 3.4.5 In the event Contracting City is in arrears in performing the payment obligations owed to Texarkana under the Contract or the Extension, the Potable Water Rate as determined in the "true-up" process shall constitute only a floor or base rate, to which Texarkana may add an additional premium to liquidate the unpaid balance due and owing to Texarkana.
- 3.4.6 Any dispute arising during the "true-up" process or in establishing a Monthly Payment for subsequent years of the term shall be resolved pursuant to Section 6 of this Extension. Pending the resolution of any dispute, the Potable Water Rate component of the Monthly Payment shall remain fixed at the parties' last agreed-upon rate.

4. Primary Contacts

The parties establish the primary contact persons for any issue arising under or touching upon the Contract as amended herein and the Extension, or for any notice required in the Contract or Extension:

- 4.1 for Texarkana, its CEO/City Manager; and
- 4.2 for Contracting City, its Mayor.

5. Termination

In addition to the provisions for termination as set forth in the Contract, the Contract and this Extension may be terminated as follows:

- 5.1 by mutual agreement of the parties;
- 5.2 by Contracting City upon notice of one year prior to the effective date of termination; or
- 5.3 by Texarkana, upon failure of Contracting City to perform any of its obligations under the Contract or the Extension, such failure not being cured by Contracting City within sixty (60) days following Texarkana giving Contracting City written notice of Texarkana's intent to terminate the Contract.

6. **Dispute Resolution**

If a dispute arises between the parties relating to rights, duties, or obligations arising out of the Contract or the Extension, the parties agree to the following dispute resolution procedures:

- 6.1 A meeting shall be held promptly between the parties or their designated representatives to attempt in good faith to informally negotiate a resolution of the dispute. Such negotiations may include one or both parties securing independent auditors or consultants.
- 6.2 If resolution is not readily achieved by informal negotiations, the parties may agree to select a neutral third party ("NTP") to assist in resolution of the dispute. If used, the NTP shall be a person with expertise in the subject matter of the dispute and in the interpretation of contract documents who is immediately available and acceptable to the parties. The NTP shall promptly convene a private meeting between representatives of the parties to hear the parties' positions and render oral recommendations for resolution of the dispute. The recommendations of the NTP shall not be binding on any party. By separate written agreement, the parties may further define the role of the NTP and may expand the NTP to consist of a team of persons possessing the necessary expertise. Use of the NTP is voluntary. No party to this Agreement will be deemed to be in breach of this Agreement solely because of a refusal to utilize a NTP.
- 6.3 If resolution is not achieved by informal negotiations, the dispute shall be settled by mandatory arbitration in accordance with and governed by Texas state law. Each city shall select a disinterested representative who shall be either a qualified registered engineer or certified public accountant experienced in municipal water supply accounting matters; the selected representatives of the cities shall choose a third person similarly qualified; the three persons shall then comprise the "arbitration panel" with authority as provided under Chapter 171 of the Texas Civil Practice and Remedies Code. The arbitration panel shall then determine the matter in dispute, which determination shall be binding on both cities.
- 6.4 At all times during the course of any dispute resolution, Texarkana and Contracting City shall continue diligently and without delay to perform the respective services and obligations of the Contract and Extension.
- 6.5 Each party shall pay its own costs and expenses, including attorney's fees, incurred during any facet of dispute resolution procedures outlined above. The fees and expenses of the NTP and arbitration panel shall be divided equally between Texarkana and Contracting City.

7. **General Provisions**

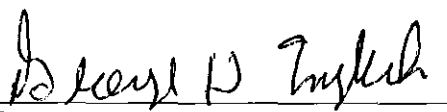
- 7.1 *No Impairment of Existing Contracts.* Nothing herein should be construed to diminish, impair, or abrogate any water supply contract that either party may have with a third party.

- 7.2 *No Third Party Beneficiaries.* Nothing herein should be construed to benefit any person or entity not a signatory to the Contract or the Extension.
- 7.3 *Governing Law.* The Contract and the Extension shall be governed exclusively by the laws of the State of Texas.
- 7.4 *Construction.* In construing the Contract and the Extension, none of the parties hereto shall have any term or provision, or any uncertainty or ambiguity as to any provisions herein, construed against such party solely by reason of such party having drafted the same.
- 7.5 *Independent Contractors.* The parties to the Contract and this Extension are independent contractors. No party shall exercise control over either the performance of any other party or the employees of any other party; and no party shall be deemed to be the agent, employee, or representative of any other party.
- 7.6 *Retroactive Effective Date.* The Extension becomes effective retroactively on October 1, 2009.
- 7.7 *Amendment.* Any amendment to the Contract or the Extension must be in writing. The Primary Contacts for Texarkana and Contracting City are delegated authority by their respective city councils to make technical amendments to the Contract or the Extension.

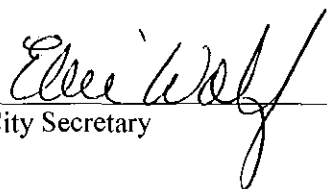
IN WITNESS WHEREOF, Texarkana, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and CEO/City Manager and attested by its City Secretary, and Contracting City, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and attested by its City Secretary.

IT IS AGREED:

Contracting City


Mayor

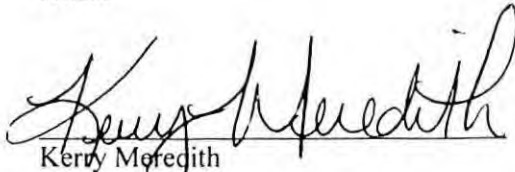
Attest

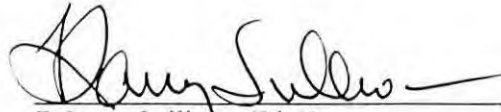

City Secretary

Texarkana, Texas

Attest


Stephen A. Mayo
Mayor


Kerry Meredith
City Secretary


F. Larry Sullivan, Ed. D.
CEO/City Manager

Approved as to Form:


Jeffery C. Lewis
Atchley, Russell, Waldrop & Hlavinka, LLP
Retained Legal Counsel

**Extension and Amendment
to
Water Supply Contract**

This Extension and Amendment to Water Supply Contract ("the Extension") is entered into by the City of Texarkana, Texas ("Texarkana"), and the City of Avery, Texas ("Contracting City").

WHEREAS, by Resolution 117-65 dated December 17, 1965, the City Council of Texarkana authorized its City Manager, acting on behalf of Texarkana and as agent for Contracting City and other identified Texas cities, to make application to state authorities for Texarkana to be designated as cooperating local sponsor to negotiate with the United States Army Corps of Engineers for contractual rights to use additional water conservation storage space and to acquire a water permit in the Texarkana Reservoir, now called Lake Wright Patman Reservoir; and

WHEREAS, in the "Amended Application for Permit to Appropriate Public Water", No. 2552, signed by the City Manager of Texarkana on September 14, 1967, and filed with the Texas Water Rights Commission, Texarkana expressed its purpose and intent to administer the water sought for the purpose of serving not only the needs of Texarkana, but also those of Contracting City and other identified Texas cities equitably as their requirements may develop; and upon receipt of Application No. 2552, the Texas Water Rights Commission, on April 18, 1968, issued Permit No. 1563b, the particulars of which are stated in the Water Supply Contract between Texarkana and Contracting City made and entered the Contract on June 24, 1969 ("the Contract"); and

WHEREAS, Section 5 of the Contract provides in part that the Contract and the obligations of Contracting City to make prescribed monthly payments shall continue for the period that any of the Lake Texarkana Water Supply Corporation ("LTWSC") bonds are outstanding and unpaid; and

WHEREAS, LTWSC bonds have been paid, and LTWSC involuntarily dissolved effective March 21, 2007; and

WHEREAS, Section 5 of the Contract also provides in part that when LTWSC bonds have been paid, Contracting City has the right to an extension of the Contract, taking into consideration of any change in quantity desired by Contracting City, the availability thereof, and the costs involved in making deliveries to Contracting City, and Contracting City chooses to exercise its right to an extension of the Contract; and

WHEREAS, consistent with Sections 20 and 23 of the Contract, Texarkana and Contracting City, together with other Texas municipalities, on May 6, 2008, entered into an Interlocal Cooperation Agreement pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to work cooperatively to create a new water district functioning under the authority of Article 16, Section 59 of the Texas Constitution, and expressly agreed to identify and implement the means and methods of creating the new water district, including the development of enabling legislation, hiring of engineers, and identifying assets and property rights that the district would need to acquire or otherwise secure to effectuate its purposes, including those assets and property rights under existing water contracts between the parties that would be transferred to the district as a result of the parties agreeing to supersede those existing contracts for the creation of the district; and

WHEREAS, the 81st Texas Legislature, in regular session, enacted S.B. 1223 creating the new water district, Riverbend Water Resources District (“Riverbend”), codified in Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601, effective June 19, 2009, and Texarkana, Contracting City, and other Texas cities (“the other Riverbend cities”) are statutory members of Riverbend [*see* TEX. SPEC. DIST. LOC. LAWS CODE § 9601.005]; and

WHEREAS, pursuant to the Interlocal Cooperation Act, the parties to an interlocal contract may designate an existing local government to supervise the performance of an interlocal contract [TEX. GOV’T CODE § 791.013], and since Riverbend is an existing local government as defined under the Act [TEX. GOV’T CODE § 791.003(4)(A)], Contracting City desires to designate Riverbend to supervise the performance of the Contract and Extension for a specified fee to be paid by Contracting City, and Texarkana is agreeable to such designation.

NOW THEREFORE, pursuant to Chapter 791 of the Texas Government Code, and in consideration of the premises and the mutual promises, covenants and agreements contained herein, Texarkana and Contracting City hereby agree as follows:

1. Extension and Renewal

- 1.1 The Contract is extended for an additional five-year term and shall automatically renew for subsequent, one-year terms, unless terminated pursuant to paragraph 5.
- 1.2 The Contract remains in full force and effect except as otherwise amended herein or rendered obsolete by virtue of LTWSC bonds being completely paid and the involuntary dissolution of LTWSC.
- 1.3 Texarkana reaffirms its Resolution 117-65 dated December 17, 1965, and its Application No. 2552 signed by the City Manager of Texarkana on September 14, 1967, for the purposes stated therein.

2. Riverbend to Supervise Performance

- 2.1 Contracting City designates Riverbend to supervise the performance of the Contract and Extension.
- 2.2 Contracting City shall pay Riverbend a fee for its supervisory services as specified in Section 3.2.2 of this Extension.

3. Contracting City’s Monthly Payment

- 3.1 *Billing and Tender of Payment.* Monthly billing to Contracting City shall issue from the Chief Financial Officer of Texarkana. Contracting City’s Monthly Payment under Section 1 of the Contract, as amended by this section 3 of the Extension, shall be tendered to Texarkana’s Chief Financial Officer.

- 3.2 *First Year of Term.* During the first year of the extension term, Contracting City's Monthly Payment under Section 1 of the Contract shall be set at \$0.70 per 1,000 gallons of potable water supplied to Contracting City, calculated as follows:
- 3.2.1 *Potable Water Rate.* The agreed rate for potable water under the Contract shall be set at \$0.655 per 1,000 gallons of water supplied to Contracting City.
- 3.2.2 *Riverbend Fee.* Contracting City dedicates from its own revenues an additional \$0.045 per 1,000 gallons of potable water supplied to Contracting City, which shall be paid to Riverbend as the fee for its supervision of the Contract and Extension.
- 3.3 *Texarkana to Forward Riverbend Fee.* Contracting City acknowledges that the other Riverbend cities have water supply contracts with Texarkana and are entering into extensions of those contracts in substantially similar terms as this Extension. Upon receipt of Contracting City's Monthly Payment and the monthly payments from the other Riverbend cities, Texarkana shall forward to Riverbend one check which shall constitute the aggregate of the Riverbend Fee received from Contracting City and the other Riverbend cities during the given month.
- 3.4 *Subsequent Years of Term.* Contracting City's Monthly Payment under Section 1 of the Contract during subsequent years of the extension term shall be determined in the following manner:
- 3.4.1 No later than August of each calendar year, the parties shall confer and compare trend data and past usage of potable water with the actual billing (the "true-up" process). No later than November of each calendar year, the parties shall reach a consensus on the next year's Monthly Payment. To facilitate Contracting City's preparation of an annual budget, the Potable Water Rate component of the Monthly Payment shall be an averaged, fixed monthly charge, computed on an annual basis.
- 3.4.2 Riverbend shall be Contracting City's agent during the "true-up" process. Any adjustment to the Riverbend Fee shall also be evaluated and determined by Contracting City and Riverbend.
- 3.4.3 If, during the "true-up" process, it is determined that the past year's actual billing of the Potable Water Rate:
- 3.4.3.1 exceeds the past year's usage, then, a commensurate discount shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.
- 3.4.3.2 is less than the past year's usage, then, a commensurate premium shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.

- 3.4.4 The consensus amount for the next year's Monthly Payment shall be placed on the November agenda of a meeting of the Riverbend Board of Directors as a single action item. Texarkana's director on the Riverbend board shall formally recommend the next year's Potable Water Rate, and Riverbend's Executive Director/General Manager shall formally recommend the new Riverbend Fee. A simple majority vote of the Riverbend Board of Directors in favor of the new Monthly Payment shall establish, for Contracting City, the new Monthly Payment under this Extension for the subsequent year of the term.
- 3.4.5 In the event Contracting City is in arrears in performing the payment obligations owed to Texarkana under the Contract or the Extension, the Potable Water Rate as determined in the "true-up" process shall constitute only a floor or base rate, to which Texarkana may add an additional premium to liquidate the unpaid balance due and owing to Texarkana.
- 3.4.6 Any dispute arising during the "true-up" process or in establishing a Monthly Payment for subsequent years of the term shall be resolved pursuant to Section 6 of this Extension. Pending the resolution of any dispute, the Potable Water Rate component of the Monthly Payment shall remain fixed at the parties' last agreed-upon rate.
- 3.4.7 Contracting City stipulates to the following: under the Contract, as of February 28, 2010, there is an outstanding, unpaid balance in arrears, inclusive of accrued interest, due and owing to Texarkana, of \$81,532.72 ("the unpaid balance"); that this unpaid balance continues to accrue interest as specified in the Contract; that Contracting City has made assurances of payment and tendered partial payments on this unpaid balance; and that Contracting City has no defense and asserts no defense for its failure to pay in full the unpaid balance. As additional consideration for the Extension, Contracting City agrees to the following: (i) Contracting City shall pay directly to Texarkana, to the attention of Texarkana's Chief Financial Officer, at the same time the Monthly Payment is due, an additional amount of \$905.18 per month, to be paid each and every month for 120 months, until the unpaid balance, plus interest as provided under the Contract, has been paid in full; and (ii) Contracting City waives its rights, title, and interest to Company facilities as provided in Section 21 of the Contract, and conveys its rights, title, and interest to Company facilities to Texarkana. This sub-paragraph 3.4.7 shall survive the termination of the Contract and the Extension.

4. **Primary Contacts**

The parties establish the primary contact persons for any issue arising under or touching upon the Contract as amended herein and the Extension, or for any notice required in the Contract or Extension:

- 4.1 for Texarkana, its CEO/City Manager; and

4.2 for Contracting City, its Mayor.

5. **Termination**

In addition to the provisions for termination as set forth in the Contract, the Contract and this Extension may be terminated as follows:

- 5.1 by mutual agreement of the parties;
- 5.2 by Contracting City upon notice of one year prior to the effective date of termination; or
- 5.3 by Texarkana, upon failure of Contracting City to perform any of its obligations under the Contract or the Extension, such failure not being cured by Contracting City within sixty (60) days following Texarkana giving Contracting City written notice of Texarkana's intent to terminate the Contract.

6. **Dispute Resolution**

If a dispute arises between the parties relating to rights, duties, or obligations arising out of the Contract or the Extension, the parties agree to the following dispute resolution procedures:

- 6.1 A meeting shall be held promptly between the parties or their designated representatives to attempt in good faith to informally negotiate a resolution of the dispute. Such negotiations may include one or both parties securing independent auditors or consultants.
- 6.2 If resolution is not readily achieved by informal negotiations, the parties may agree to select a neutral third party ("NTP") to assist in resolution of the dispute. If used, the NTP shall be a person with expertise in the subject matter of the dispute and in the interpretation of contract documents who is immediately available and acceptable to the parties. The NTP shall promptly convene a private meeting between representatives of the parties to hear the parties' positions and render oral recommendations for resolution of the dispute. The recommendations of the NTP shall not be binding on any party. By separate written agreement, the parties may further define the role of the NTP and may expand the NTP to consist of a team of persons possessing the necessary expertise. Use of the NTP is voluntary. No party to this Agreement will be deemed to be in breach of this Agreement solely because of a refusal to utilize a NTP.
- 6.3 If resolution is not achieved by informal negotiations, the dispute shall be settled by mandatory arbitration in accordance with and governed by Texas state law. Each city shall select a disinterested representative who shall be either a qualified registered engineer or certified public accountant experienced in municipal water supply accounting matters; the selected representatives of the cities shall choose a third person similarly qualified; the three persons shall then comprise the "arbitration panel" with authority as provided under Chapter 171 of the Texas Civil Practice and Remedies Code. The arbitration panel shall then determine the matter in dispute, which determination shall be binding on both cities.

- 6.4 At all times during the course of any dispute resolution, Texarkana and Contracting City shall continue diligently and without delay to perform the respective services and obligations of the Contract and Extension.
- 6.5 Each party shall pay its own costs and expenses, including attorney's fees, incurred during any facet of dispute resolution procedures outlined above. The fees and expenses of the NTP and arbitration panel shall be divided equally between Texarkana and Contracting City.

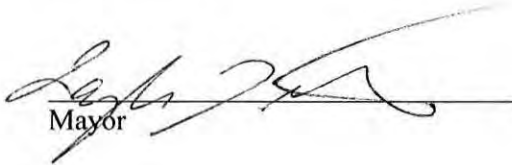
7. General Provisions

- 7.1 *No Impairment of Existing Contracts.* Nothing herein should be construed to diminish, impair, or abrogate any water supply contract that either party may have with a third party.
- 7.2 *No Third Party Beneficiaries.* Nothing herein should be construed to benefit any person or entity not a signatory to the Contract or the Extension.
- 7.3 *Governing Law.* The Contract and the Extension shall be governed exclusively by the laws of the State of Texas.
- 7.4 *Construction.* In construing the Contract and the Extension, none of the parties hereto shall have any term or provision, or any uncertainty or ambiguity as to any provisions herein, construed against such party solely by reason of such party having drafted the same.
- 7.5 *Independent Contractors.* The parties to the Contract and this Extension are independent contractors. No party shall exercise control over either the performance of any other party or the employees of any other party; and no party shall be deemed to be the agent, employee, or representative of any other party.
- 7.6 *Retroactive Effective Date.* The Extension becomes effective retroactively on October 1, 2009.
- 7.7 *Amendment.* Any amendment to the Contract or the Extension must be in writing. The Primary Contacts for Texarkana and Contracting City are delegated authority by their respective city councils to make technical amendments to the Contract or the Extension.

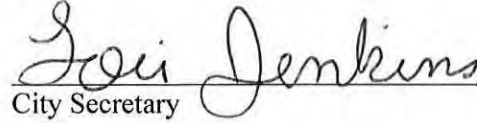
IN WITNESS WHEREOF, Texarkana, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and CEO/City Manager and attested by its City Secretary, and Contracting City, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and attested by its City Secretary.

IT IS AGREED:

Contracting City


Mayor

Attest

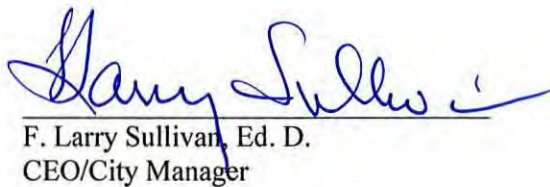

City Secretary

Texarkana, Texas

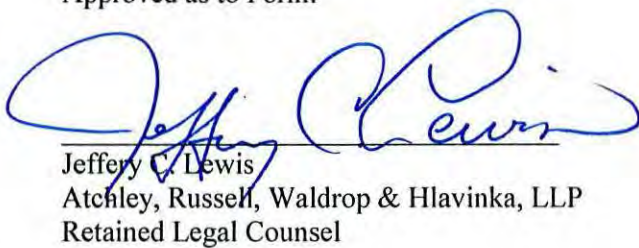

Stephen A. Mayo
Mayor

Attest


Kerry Meredith
City Secretary


F. Larry Sullivan, Ed. D.
CEO/City Manager

Approved as to Form:


Jeffery C. Lewis
Atchley, Russell, Waldrop & Hlavinka, LLP
Retained Legal Counsel

**Extension and Amendment
to
Water Supply Contract**

This Extension and Amendment to Water Supply Contract ("the Extension") is entered into by the City of Texarkana, Texas ("Texarkana"), and the City of DeKalb, Texas ("Contracting City").

WHEREAS, by Resolution 117-65 dated December 17, 1965, the City Council of Texarkana authorized its City Manager, acting on behalf of Texarkana and as agent for Contracting City and other identified Texas cities, to make application to state authorities for Texarkana to be designated as cooperating local sponsor to negotiate with the United States Army Corps of Engineers for contractual rights to use additional water conservation storage space and to acquire a water permit in the Texarkana Reservoir, now called Lake Wright Patman Reservoir; and

WHEREAS, in the "Amended Application for Permit to Appropriate Public Water", No. 2552, signed by the City Manager of Texarkana on September 14, 1967, and filed with the Texas Water Rights Commission, Texarkana expressed its purpose and intent to administer the water sought for the purpose of serving not only the needs of Texarkana, but also those of Contracting City and other identified Texas cities equitably as their requirements may develop; and upon receipt of Application No. 2552, the Texas Water Rights Commission, on April 18, 1968, issued Permit No. 1563b, the particulars of which are stated in the Water Supply Contract between Texarkana and Contracting City made and entered the Contract on June 24, 1969 ("the Contract"); and

WHEREAS, Section 5 of the Contract provides in part that the Contract and the obligations of Contracting City to make prescribed monthly payments shall continue for the period that any of the Lake Texarkana Water Supply Corporation ("LTWSC") bonds are outstanding and unpaid; and

WHEREAS, LTWSC bonds have been paid, and LTWSC involuntarily dissolved effective March 21, 2007; and

WHEREAS, Section 5 of the Contract also provides in part that when LTWSC bonds have been paid, Contracting City has the right to an extension of the Contract, taking into consideration of any change in quantity desired by Contracting City, the availability thereof, and the costs involved in making deliveries to Contracting City, and Contracting City chooses to exercise its right to an extension of the Contract; and

WHEREAS, consistent with Sections 20 and 23 of the Contract, Texarkana and Contracting City, together with other Texas municipalities, on May 6, 2008, entered into an Interlocal Cooperation Agreement pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to work cooperatively to create a new water district functioning under the authority of Article 16, Section 59 of the Texas Constitution, and expressly agreed to identify and implement the means and methods of creating the new water district, including the development of enabling legislation, hiring of engineers, and identifying assets and property rights that the district would need to acquire or otherwise secure to effectuate its purposes, including those assets and property rights under existing water contracts between the parties that would be transferred to the district as a result of the parties agreeing to supersede those existing contracts for the creation of the district; and

WHEREAS, the 81st Texas Legislature, in regular session, enacted S.B. 1223 creating the new water district, Riverbend Water Resources District (“Riverbend”), codified in Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601, effective June 19, 2009, and Texarkana, Contracting City, and other Texas cities (“the other Riverbend cities”) are statutory members of Riverbend [*see* TEX. SPEC. DIST. LOC. LAWS CODE § 9601.005]; and

WHEREAS, pursuant to the Interlocal Cooperation Act, the parties to an interlocal contract may designate an existing local government to supervise the performance of an interlocal contract [TEX. GOV’T CODE § 791.013], and since Riverbend is an existing local government as defined under the Act [TEX. GOV’T CODE § 791.003(4)(A)], Contracting City desires to designate Riverbend to supervise the performance of the Contract and Extension for a specified fee to be paid by Contracting City, and Texarkana is agreeable to such designation.

NOW THEREFORE, pursuant to Chapter 791 of the Texas Government Code, and in consideration of the premises and the mutual promises, covenants and agreements contained herein, Texarkana and Contracting City hereby agree as follows:

1. Extension and Renewal

- 1.1 The Contract is extended for an additional five-year term and shall automatically renew for subsequent, one-year terms, unless terminated pursuant to paragraph 5.
- 1.2 The Contract remains in full force and effect except as otherwise amended herein or rendered obsolete by virtue of LTWSC bonds being completely paid and the involuntary dissolution of LTWSC.
- 1.3 Texarkana reaffirms its Resolution 117-65 dated December 17, 1965, and its Application No. 2552 signed by the City Manager of Texarkana on September 14, 1967, for the purposes stated therein.

2. Riverbend to Supervise Performance

- 2.1 Contracting City designates Riverbend to supervise the performance of the Contract and Extension.
- 2.2 Contracting City shall pay Riverbend a fee for its supervisory services as specified in Section 3.2.2 of this Extension.

3. Contracting City’s Monthly Payment

- 3.1 *Billing and Tender of Payment.* Monthly billing to Contracting City shall issue from the Chief Financial Officer of Texarkana. Contracting City’s Monthly Payment under Section 1 of the Contract, as amended by this section 3 of the Extension, shall be tendered to Texarkana’s Chief Financial Officer.

- 3.2 *First Year of Term.* During the first year of the extension term, Contracting City's Monthly Payment under Section 1 of the Contract shall be set at \$0.70 per 1,000 gallons of potable water supplied to Contracting City, calculated as follows:
- 3.2.1 *Potable Water Rate.* The agreed rate for potable water under the Contract shall be set at \$0.655 per 1,000 gallons of water supplied to Contracting City.
- 3.2.2 *Riverbend Fee.* Contracting City dedicates from its own revenues an additional \$0.045 per 1,000 gallons of potable water supplied to Contracting City, which shall be paid to Riverbend as the fee for its supervision of the Contract and Extension.
- 3.3 *Texarkana to Forward Riverbend Fee.* Contracting City acknowledges that the other Riverbend cities have water supply contracts with Texarkana and are entering into extensions of those contracts in substantially similar terms as this Extension. Upon receipt of Contracting City's Monthly Payment and the monthly payments from the other Riverbend cities, Texarkana shall forward to Riverbend one check which shall constitute the aggregate of the Riverbend Fee received from Contracting City and the other Riverbend cities during the given month.
- 3.4 *Subsequent Years of Term.* Contracting City's Monthly Payment under Section 1 of the Contract during subsequent years of the extension term shall be determined in the following manner:
- 3.4.1 No later than August of each calendar year, the parties shall confer and compare trend data and past usage of potable water with the actual billing (the "true-up" process). No later than November of each calendar year, the parties shall reach a consensus on the next year's Monthly Payment. To facilitate Contracting City's preparation of an annual budget, the Potable Water Rate component of the Monthly Payment shall be an averaged, fixed monthly charge, computed on an annual basis.
- 3.4.2 Riverbend shall be Contracting City's agent during the "true-up" process. Any adjustment to the Riverbend Fee shall also be evaluated and determined by Contracting City and Riverbend.
- 3.4.3 If, during the "true-up" process, it is determined that the past year's actual billing of the Potable Water Rate:
- 3.4.3.1 exceeds the past year's usage, then, a commensurate discount shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.
- 3.4.3.2 is less than the past year's usage, then, a commensurate premium shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.

- 3.4.4 The consensus amount for the next year's Monthly Payment shall be placed on the November agenda of a meeting of the Riverbend Board of Directors as a single action item. Texarkana's director on the Riverbend board shall formally recommend the next year's Potable Water Rate, and Riverbend's Executive Director/General Manager shall formally recommend the new Riverbend Fee. A simple majority vote of the Riverbend Board of Directors in favor of the new Monthly Payment shall establish, for Contracting City, the new Monthly Payment under this Extension for the subsequent year of the term.
- 3.4.5 In the event Contracting City is in arrears in performing the payment obligations owed to Texarkana under the Contract or the Extension, the Potable Water Rate as determined in the "true-up" process shall constitute only a floor or base rate, to which Texarkana may add an additional premium to liquidate the unpaid balance due and owing to Texarkana.
- 3.4.6 Any dispute arising during the "true-up" process or in establishing a Monthly Payment for subsequent years of the term shall be resolved pursuant to Section 6 of this Extension. Pending the resolution of any dispute, the Potable Water Rate component of the Monthly Payment shall remain fixed at the parties' last agreed-upon rate.

4. Primary Contacts

The parties establish the primary contact persons for any issue arising under or touching upon the Contract as amended herein and the Extension, or for any notice required in the Contract or Extension:

- 4.1 for Texarkana, its CEO/City Manager; and
- 4.2 for Contracting City, its Mayor.

5. Termination

In addition to the provisions for termination as set forth in the Contract, the Contract and this Extension may be terminated as follows:

- 5.1 by mutual agreement of the parties;
- 5.2 by Contracting City upon notice of one year prior to the effective date of termination; or
- 5.3 by Texarkana, upon failure of Contracting City to perform any of its obligations under the Contract or the Extension, such failure not being cured by Contracting City within sixty (60) days following Texarkana giving Contracting City written notice of Texarkana's intent to terminate the Contract.

6. Dispute Resolution

If a dispute arises between the parties relating to rights, duties, or obligations arising out of the Contract or the Extension, the parties agree to the following dispute resolution procedures:

- 6.1 A meeting shall be held promptly between the parties or their designated representatives to attempt in good faith to informally negotiate a resolution of the dispute. Such negotiations may include one or both parties securing independent auditors or consultants.
- 6.2 If resolution is not readily achieved by informal negotiations, the parties may agree to select a neutral third party ("NTP") to assist in resolution of the dispute. If used, the NTP shall be a person with expertise in the subject matter of the dispute and in the interpretation of contract documents who is immediately available and acceptable to the parties. The NTP shall promptly convene a private meeting between representatives of the parties to hear the parties' positions and render oral recommendations for resolution of the dispute. The recommendations of the NTP shall not be binding on any party. By separate written agreement, the parties may further define the role of the NTP and may expand the NTP to consist of a team of persons possessing the necessary expertise. Use of the NTP is voluntary. No party to this Agreement will be deemed to be in breach of this Agreement solely because of a refusal to utilize a NTP.
- 6.3 If resolution is not achieved by informal negotiations, the dispute shall be settled by mandatory arbitration in accordance with and governed by Texas state law. Each city shall select a disinterested representative who shall be either a qualified registered engineer or certified public accountant experienced in municipal water supply accounting matters; the selected representatives of the cities shall choose a third person similarly qualified; the three persons shall then comprise the "arbitration panel" with authority as provided under Chapter 171 of the Texas Civil Practice and Remedies Code. The arbitration panel shall then determine the matter in dispute, which determination shall be binding on both cities.
- 6.4 At all times during the course of any dispute resolution, Texarkana and Contracting City shall continue diligently and without delay to perform the respective services and obligations of the Contract and Extension.
- 6.5 Each party shall pay its own costs and expenses, including attorney's fees, incurred during any facet of dispute resolution procedures outlined above. The fees and expenses of the NTP and arbitration panel shall be divided equally between Texarkana and Contracting City.

7. General Provisions

- 7.1 *No Impairment of Existing Contracts.* Nothing herein should be construed to diminish, impair, or abrogate any water supply contract that either party may have with a third party.

- 7.2 *No Third Party Beneficiaries.* Nothing herein should be construed to benefit any person or entity not a signatory to the Contract or the Extension.
- 7.3 *Governing Law.* The Contract and the Extension shall be governed exclusively by the laws of the State of Texas.
- 7.4 *Construction.* In construing the Contract and the Extension, none of the parties hereto shall have any term or provision, or any uncertainty or ambiguity as to any provisions herein, construed against such party solely by reason of such party having drafted the same.
- 7.5 *Independent Contractors.* The parties to the Contract and this Extension are independent contractors. No party shall exercise control over either the performance of any other party or the employees of any other party; and no party shall be deemed to be the agent, employee, or representative of any other party.
- 7.6 *Retroactive Effective Date.* The Extension becomes effective retroactively on October 1, 2009.
- 7.7 *Amendment.* Any amendment to the Contract or the Extension must be in writing. The Primary Contacts for Texarkana and Contracting City are delegated authority by their respective city councils to make technical amendments to the Contract or the Extension.

IN WITNESS WHEREOF, Texarkana, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and CEO/City Manager and attested by its City Secretary, and Contracting City, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and attested by its City Secretary.

IT IS AGREED:

Contracting City

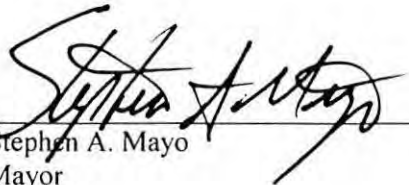
Mayor

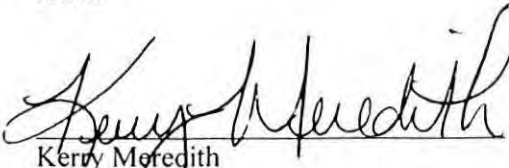
Attest

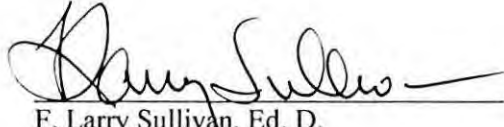
City Secretary

Texarkana, Texas

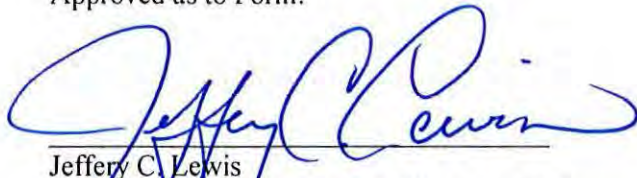
Attest


Stephen A. Mayo
Mayor


Kerry Meredith
City Secretary


F. Larry Sullivan, Ed. D.
CEO/City Manager

Approved as to Form:


Jeffery C. Lewis
Atchley, Russell, Waldrop & Hlavinka, LLP
Retained Legal Counsel

**Extension and Amendment
to
Water Supply Contract**

This Extension and Amendment to Water Supply Contract ("the Extension") is entered into by the City of Texarkana, Texas ("Texarkana"), and the City of Hooks, Texas ("Contracting City").

WHEREAS, by Resolution 117-65 dated December 17, 1965, the City Council of Texarkana authorized its City Manager, acting on behalf of Texarkana and as agent for Contracting City and other identified Texas cities, to make application to state authorities for Texarkana to be designated as cooperating local sponsor to negotiate with the United States Army Corps of Engineers for contractual rights to use additional water conservation storage space and to acquire a water permit in the Texarkana Reservoir, now called Lake Wright Patman Reservoir; and

WHEREAS, in the "Amended Application for Permit to Appropriate Public Water", No. 2552, signed by the City Manager of Texarkana on September 14, 1967, and filed with the Texas Water Rights Commission, Texarkana expressed its purpose and intent to administer the water sought for the purpose of serving not only the needs of Texarkana, but also those of Contracting City and other identified Texas cities equitably as their requirements may develop; and upon receipt of Application No. 2552, the Texas Water Rights Commission, on April 18, 1968, issued Permit No. 1563b, the particulars of which are stated in the Water Supply Contract between Texarkana and Contracting City made and entered the Contract on June 24, 1969 ("the Contract"); and

WHEREAS, Section 5 of the Contract provides in part that the Contract and the obligations of Contracting City to make prescribed monthly payments shall continue for the period that any of the Lake Texarkana Water Supply Corporation ("LTWSC") bonds are outstanding and unpaid; and

WHEREAS, LTWSC bonds have been paid, and LTWSC involuntarily dissolved effective March 21, 2007; and

WHEREAS, Section 5 of the Contract also provides in part that when LTWSC bonds have been paid, Contracting City has the right to an extension of the Contract, taking into consideration of any change in quantity desired by Contracting City, the availability thereof, and the costs involved in making deliveries to Contracting City, and Contracting City chooses to exercise its right to an extension of the Contract; and

WHEREAS, consistent with Sections 20 and 23 of the Contract, Texarkana and Contracting City, together with other Texas municipalities, on May 6, 2008, entered into an Interlocal Cooperation Agreement pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to work cooperatively to create a new water district functioning under the authority of Article 16, Section 59 of the Texas Constitution, and expressly agreed to identify and implement the means and methods of creating the new water district, including the development of enabling legislation, hiring of engineers, and identifying assets and property rights that the district would need to acquire or otherwise secure to effectuate its purposes, including those assets and property rights under existing water contracts between the parties that would be transferred to the district as a result of the parties agreeing to supersede those existing contracts for the creation of the district; and

WHEREAS, the 81st Texas Legislature, in regular session, enacted S.B. 1223 creating the new water district, Riverbend Water Resources District ("Riverbend"), codified in Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601, effective June 19, 2009, and Texarkana, Contracting City, and other Texas cities ("the other Riverbend cities") are statutory members of Riverbend [see TEX. SPEC. DIST. LOC. LAWS CODE § 9601.005]; and

WHEREAS, pursuant to the Interlocal Cooperation Act, the parties to an interlocal contract may designate an existing local government to supervise the performance of an interlocal contract [TEX. GOV'T CODE § 791.013], and since Riverbend is an existing local government as defined under the Act [TEX. GOV'T CODE § 791.003(4)(A)], Contracting City desires to designate Riverbend to supervise the performance of the Contract and Extension for a specified fee to be paid by Contracting City, and Texarkana is agreeable to such designation.

NOW THEREFORE, pursuant to Chapter 791 of the Texas Government Code, and in consideration of the premises and the mutual promises, covenants and agreements contained herein, Texarkana and Contracting City hereby agree as follows:

1. Extension and Renewal

- 1.1 The Contract is extended for an additional five-year term and shall automatically renew for subsequent, one-year terms, unless terminated pursuant to paragraph 5.
- 1.2 The Contract remains in full force and effect except as otherwise amended herein or rendered obsolete by virtue of LTWSC bonds being completely paid and the involuntary dissolution of LTWSC.
- 1.3 Texarkana reaffirms its Resolution 117-65 dated December 17, 1965, and its Application No. 2552 signed by the City Manager of Texarkana on September 14, 1967, for the purposes stated therein.

2. Riverbend to Supervise Performance

- 2.1 Contracting City designates Riverbend to supervise the performance of the Contract and Extension.
- 2.2 Contracting City shall pay Riverbend a fee for its supervisory services as specified in Section 3.2.2 of this Extension.

3. Contracting City's Monthly Payment

- 3.1 *Billing and Tender of Payment.* Monthly billing to Contracting City shall issue from the Chief Financial Officer of Texarkana. Contracting City's Monthly Payment under Section 1 of the Contract, as amended by this section 3 of the Extension, shall be tendered to Texarkana's Chief Financial Officer.

- 3.2 *First Year of Term.* During the first year of the extension term, Contracting City's Monthly Payment under Section 1 of the Contract shall be set at \$0.70 per 1,000 gallons of potable water supplied to Contracting City, calculated as follows:
- 3.2.1 *Potable Water Rate.* The agreed rate for potable water under the Contract shall be set at \$0.655 per 1,000 gallons of water supplied to Contracting City.
- 3.2.2 *Riverbend Fee.* Contracting City dedicates from its own revenues an additional \$0.045 per 1,000 gallons of potable water supplied to Contracting City, which shall be paid to Riverbend as the fee for its supervision of the Contract and Extension.
- 3.3 *Texarkana to Forward Riverbend Fee.* Contracting City acknowledges that the other Riverbend cities have water supply contracts with Texarkana and are entering into extensions of those contracts in substantially similar terms as this Extension. Upon receipt of Contracting City's Monthly Payment and the monthly payments from the other Riverbend cities, Texarkana shall forward to Riverbend one check which shall constitute the aggregate of the Riverbend Fee received from Contracting City and the other Riverbend cities during the given month.
- 3.4 *Subsequent Years of Term.* Contracting City's Monthly Payment under Section 1 of the Contract during subsequent years of the extension term shall be determined in the following manner:
- 3.4.1 No later than August of each calendar year, the parties shall confer and compare trend data and past usage of potable water with the actual billing (the "true-up" process). No later than November of each calendar year, the parties shall reach a consensus on the next year's Monthly Payment. To facilitate Contracting City's preparation of an annual budget, the Potable Water Rate component of the Monthly Payment shall be an averaged, fixed monthly charge, computed on an annual basis.
- 3.4.2 Riverbend shall be Contracting City's agent during the "true-up" process. Any adjustment to the Riverbend Fee shall also be evaluated and determined by Contracting City and Riverbend.
- 3.4.3 If, during the "true-up" process, it is determined that the past year's actual billing of the Potable Water Rate:
- 3.4.3.1 exceeds the past year's usage, then, a commensurate discount shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.
- 3.4.3.2 is less than the past year's usage, then, a commensurate premium shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.

- 3.4.4 The consensus amount for the next year's Monthly Payment shall be placed on the November agenda of a meeting of the Riverbend Board of Directors as a single action item. Texarkana's director on the Riverbend board shall formally recommend the next year's Potable Water Rate, and Riverbend's Executive Director/General Manager shall formally recommend the new Riverbend Fee. A simple majority vote of the Riverbend Board of Directors in favor of the new Monthly Payment shall establish, for Contracting City, the new Monthly Payment under this Extension for the subsequent year of the term.
- 3.4.5 In the event Contracting City is in arrears in performing the payment obligations owed to Texarkana under the Contract or the Extension, the Potable Water Rate as determined in the "true-up" process shall constitute only a floor or base rate, to which Texarkana may add an additional premium to liquidate the unpaid balance due and owing to Texarkana.
- 3.4.6 Any dispute arising during the "true-up" process or in establishing a Monthly Payment for subsequent years of the term shall be resolved pursuant to Section 6 of this Extension. Pending the resolution of any dispute, the Potable Water Rate component of the Monthly Payment shall remain fixed at the parties' last agreed-upon rate.

4. Primary Contacts

The parties establish the primary contact persons for any issue arising under or touching upon the Contract as amended herein and the Extension, or for any notice required in the Contract or Extension:

- 4.1 for Texarkana, its CEO/City Manager; and
4.2 for Contracting City, its Mayor.

5. Termination

In addition to the provisions for termination as set forth in the Contract, the Contract and this Extension may be terminated as follows:

- 5.1 by mutual agreement of the parties;
- 5.2 by Contracting City upon notice of one year prior to the effective date of termination; or
- 5.3 by Texarkana, upon failure of Contracting City to perform any of its obligations under the Contract or the Extension, such failure not being cured by Contracting City within sixty (60) days following Texarkana giving Contracting City written notice of Texarkana's intent to terminate the Contract.

6. Dispute Resolution

If a dispute arises between the parties relating to rights, duties, or obligations arising out of the Contract or the Extension, the parties agree to the following dispute resolution procedures:

- 6.1 A meeting shall be held promptly between the parties or their designated representatives to attempt in good faith to informally negotiate a resolution of the dispute. Such negotiations may include one or both parties securing independent auditors or consultants.
- 6.2 If resolution is not readily achieved by informal negotiations, the parties may agree to select a neutral third party ("NTP") to assist in resolution of the dispute. If used, the NTP shall be a person with expertise in the subject matter of the dispute and in the interpretation of contract documents who is immediately available and acceptable to the parties. The NTP shall promptly convene a private meeting between representatives of the parties to hear the parties' positions and render oral recommendations for resolution of the dispute. The recommendations of the NTP shall not be binding on any party. By separate written agreement, the parties may further define the role of the NTP and may expand the NTP to consist of a team of persons possessing the necessary expertise. Use of the NTP is voluntary. No party to this Agreement will be deemed to be in breach of this Agreement solely because of a refusal to utilize a NTP.
- 6.3 If resolution is not achieved by informal negotiations, the dispute shall be settled by mandatory arbitration in accordance with and governed by Texas state law. Each city shall select a disinterested representative who shall be either a qualified registered engineer or certified public accountant experienced in municipal water supply accounting matters; the selected representatives of the cities shall choose a third person similarly qualified; the three persons shall then comprise the "arbitration panel" with authority as provided under Chapter 171 of the Texas Civil Practice and Remedies Code. The arbitration panel shall then determine the matter in dispute, which determination shall be binding on both cities.
- 6.4 At all times during the course of any dispute resolution, Texarkana and Contracting City shall continue diligently and without delay to perform the respective services and obligations of the Contract and Extension.
- 6.5 Each party shall pay its own costs and expenses, including attorney's fees, incurred during any facet of dispute resolution procedures outlined above. The fees and expenses of the NTP and arbitration panel shall be divided equally between Texarkana and Contracting City.

7. General Provisions

- 7.1 *No Impairment of Existing Contracts.* Nothing herein should be construed to diminish, impair, or abrogate any water supply contract that either party may have with a third party.

- 7.2 *No Third Party Beneficiaries.* Nothing herein should be construed to benefit any person or entity not a signatory to the Contract or the Extension.
- 7.3 *Governing Law.* The Contract and the Extension shall be governed exclusively by the laws of the State of Texas.
- 7.4 *Construction.* In construing the Contract and the Extension, none of the parties hereto shall have any term or provision, or any uncertainty or ambiguity as to any provisions herein, construed against such party solely by reason of such party having drafted the same.
- 7.5 *Independent Contractors.* The parties to the Contract and this Extension are independent contractors. No party shall exercise control over either the performance of any other party or the employees of any other party; and no party shall be deemed to be the agent, employee, or representative of any other party.
- 7.6 *Retroactive Effective Date.* The Extension becomes effective retroactively on October 1, 2009.
- 7.7 *Amendment.* Any amendment to the Contract or the Extension must be in writing. The Primary Contacts for Texarkana and Contracting City are delegated authority by their respective city councils to make technical amendments to the Contract or the Extension.

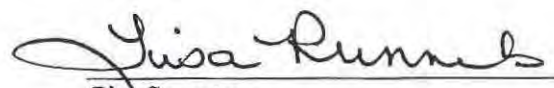
IN WITNESS WHEREOF, Texarkana, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and CEO/City Manager and attested by its City Secretary, and Contracting City, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and attested by its City Secretary.

IT IS AGREED:

Contracting City

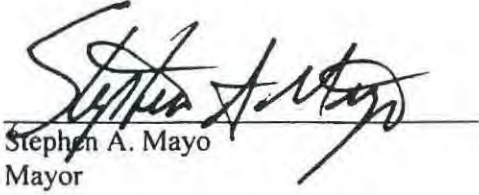
Attest

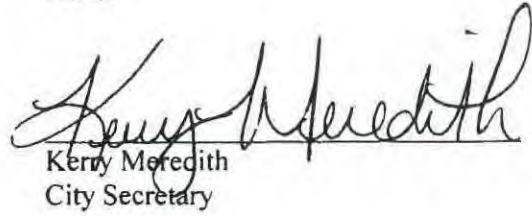

Mayor

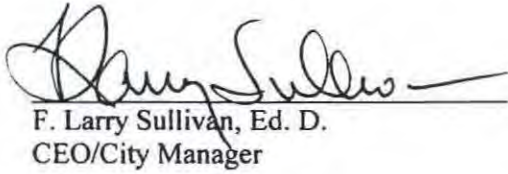

City Secretary

Texarkana, Texas

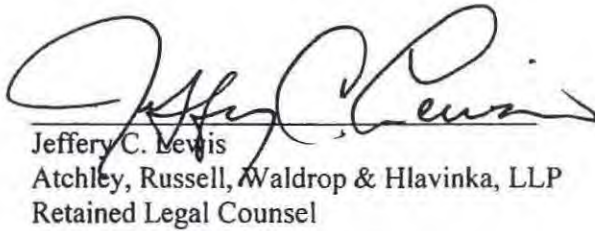
Attest


Stephen A. Mayo
Mayor


Kerry Meredith
City Secretary


F. Larry Sullivan, Ed. D.
CEO/City Manager

Approved as to Form:


Jeffery C. Lewis
Atchley, Russell, Waldrop & Hlavinka, LLP
Retained Legal Counsel

**Extension and Amendment
to
Water Supply Contract**

This Extension and Amendment to Water Supply Contract ("the Extension") is entered into by the City of Texarkana, Texas ("Texarkana"), and the City of Maud, Texas ("Contracting City").

WHEREAS, by Resolution 117-65 dated December 17, 1965, the City Council of Texarkana authorized its City Manager, acting on behalf of Texarkana and as agent for Contracting City and other identified Texas cities, to make application to state authorities for Texarkana to be designated as cooperating local sponsor to negotiate with the United States Army Corps of Engineers for contractual rights to use additional water conservation storage space and to acquire a water permit in the Texarkana Reservoir, now called Lake Wright Patman Reservoir; and

WHEREAS, in the "Amended Application for Permit to Appropriate Public Water", No. 2552, signed by the City Manager of Texarkana on September 14, 1967, and filed with the Texas Water Rights Commission, Texarkana expressed its purpose and intent to administer the water sought for the purpose of serving not only the needs of Texarkana, but also those of Contracting City and other identified Texas cities equitably as their requirements may develop; and upon receipt of Application No. 2552, the Texas Water Rights Commission, on April 18, 1968, issued Permit No. 1563b, the particulars of which are stated in the Water Supply Contract between Texarkana and Contracting City made and entered the Contract on June 24, 1969 ("the Contract"); and

WHEREAS, Section 5 of the Contract provides in part that the Contract and the obligations of Contracting City to make prescribed monthly payments shall continue for the period that any of the Lake Texarkana Water Supply Corporation ("LTWSC") bonds are outstanding and unpaid; and

WHEREAS, LTWSC bonds have been paid, and LTWSC involuntarily dissolved effective March 21, 2007; and

WHEREAS, Section 5 of the Contract also provides in part that when LTWSC bonds have been paid, Contracting City has the right to an extension of the Contract, taking into consideration of any change in quantity desired by Contracting City, the availability thereof, and the costs involved in making deliveries to Contracting City, and Contracting City chooses to exercise its right to an extension of the Contract; and

WHEREAS, consistent with Sections 20 and 23 of the Contract, Texarkana and Contracting City, together with other Texas municipalities, on May 6, 2008, entered into an Interlocal Cooperation Agreement pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to work cooperatively to create a new water district functioning under the authority of Article 16, Section 59 of the Texas Constitution, and expressly agreed to identify and implement the means and methods of creating the new water district, including the development of enabling legislation, hiring of engineers, and identifying assets and property rights that the district would need to acquire or otherwise secure to effectuate its purposes, including those assets and property rights under existing water contracts between the parties that would be transferred to the district as a result of the parties agreeing to supersede those existing contracts for the creation of the district; and

WHEREAS, the 81st Texas Legislature, in regular session, enacted S.B. 1223 creating the new water district, Riverbend Water Resources District ("Riverbend"), codified in Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601, effective June 19, 2009, and Texarkana, Contracting City, and other Texas cities ("the other Riverbend cities") are statutory members of Riverbend [see TEX. SPEC. DIST. LOC. LAWS CODE § 9601.005]; and

WHEREAS, pursuant to the Interlocal Cooperation Act, the parties to an interlocal contract may designate an existing local government to supervise the performance of an interlocal contract [TEX. GOV'T CODE § 791.013], and since Riverbend is an existing local government as defined under the Act [TEX. GOV'T CODE § 791.003(4)(A)], Contracting City desires to designate Riverbend to supervise the performance of the Contract and Extension for a specified fee to be paid by Contracting City, and Texarkana is agreeable to such designation.

NOW THEREFORE, pursuant to Chapter 791 of the Texas Government Code, and in consideration of the premises and the mutual promises, covenants and agreements contained herein, Texarkana and Contracting City hereby agree as follows:

1. Extension and Renewal

- 1.1 The Contract is extended for an additional five-year term and shall automatically renew for subsequent, one-year terms, unless terminated pursuant to paragraph 5.
- 1.2 The Contract remains in full force and effect except as otherwise amended herein or rendered obsolete by virtue of LTWSC bonds being completely paid and the involuntary dissolution of LTWSC.
- 1.3 Texarkana reaffirms its Resolution 117-65 dated December 17, 1965, and its Application No. 2552 signed by the City Manager of Texarkana on September 14, 1967, for the purposes stated therein.

2. Riverbend to Supervise Performance

- 2.1 Contracting City designates Riverbend to supervise the performance of the Contract and Extension.
- 2.2 Contracting City shall pay Riverbend a fee for its supervisory services as specified in Section 3.2.2 of this Extension.

3. Contracting City's Monthly Payment

- 3.1 *Billing and Tender of Payment.* Monthly billing to Contracting City shall issue from the Chief Financial Officer of Texarkana. Contracting City's Monthly Payment under Section 1 of the Contract, as amended by this section 3 of the Extension, shall be tendered to Texarkana's Chief Financial Officer.

- 3.2 *First Year of Term.* During the first year of the extension term, Contracting City's Monthly Payment under Section 1 of the Contract shall be set at \$0.70 per 1,000 gallons of potable water supplied to Contracting City, calculated as follows:
- 3.2.1 *Potable Water Rate.* The agreed rate for potable water under the Contract shall be set at \$0.655 per 1,000 gallons of water supplied to Contracting City.
- 3.2.2 *Riverbend Fee.* Contracting City dedicates from its own revenues an additional \$0.045 per 1,000 gallons of potable water supplied to Contracting City, which shall be paid to Riverbend as the fee for its supervision of the Contract and Extension.
- 3.3 *Texarkana to Forward Riverbend Fee.* Contracting City acknowledges that the other Riverbend cities have water supply contracts with Texarkana and are entering into extensions of those contracts in substantially similar terms as this Extension. Upon receipt of Contracting City's Monthly Payment and the monthly payments from the other Riverbend cities, Texarkana shall forward to Riverbend one check which shall constitute the aggregate of the Riverbend Fee received from Contracting City and the other Riverbend cities during the given month.
- 3.4 *Subsequent Years of Term.* Contracting City's Monthly Payment under Section 1 of the Contract during subsequent years of the extension term shall be determined in the following manner:
- 3.4.1 No later than August of each calendar year, the parties shall confer and compare trend data and past usage of potable water with the actual billing (the "true-up" process). No later than November of each calendar year, the parties shall reach a consensus on the next year's Monthly Payment. To facilitate Contracting City's preparation of an annual budget, the Potable Water Rate component of the Monthly Payment shall be an averaged, fixed monthly charge, computed on an annual basis.
- 3.4.2 Riverbend shall be Contracting City's agent during the "true-up" process. Any adjustment to the Riverbend Fee shall also be evaluated and determined by Contracting City and Riverbend.
- 3.4.3 If, during the "true-up" process, it is determined that the past year's actual billing of the Potable Water Rate:
- 3.4.3.1 exceeds the past year's usage, then, a commensurate discount shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.
- 3.4.3.2 is less than the past year's usage, then, a commensurate premium shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.

- 3.4.4 The consensus amount for the next year's Monthly Payment shall be placed on the November agenda of a meeting of the Riverbend Board of Directors as a single action item. Texarkana's director on the Riverbend board shall formally recommend the next year's Potable Water Rate, and Riverbend's Executive Director/General Manager shall formally recommend the new Riverbend Fee. A simple majority vote of the Riverbend Board of Directors in favor of the new Monthly Payment shall establish, for Contracting City, the new Monthly Payment under this Extension for the subsequent year of the term.
- 3.4.5 In the event Contracting City is in arrears in performing the payment obligations owed to Texarkana under the Contract or the Extension, the Potable Water Rate as determined in the "true-up" process shall constitute only a floor or base rate, to which Texarkana may add an additional premium to liquidate the unpaid balance due and owing to Texarkana.
- 3.4.6 Any dispute arising during the "true-up" process or in establishing a Monthly Payment for subsequent years of the term shall be resolved pursuant to Section 6 of this Extension. Pending the resolution of any dispute, the Potable Water Rate component of the Monthly Payment shall remain fixed at the parties' last agreed-upon rate.

4. Primary Contacts

The parties establish the primary contact persons for any issue arising under or touching upon the Contract as amended herein and the Extension, or for any notice required in the Contract or Extension:

- 4.1 for Texarkana, its CEO/City Manager; and
- 4.2 for Contracting City, its Mayor.

5. Termination

In addition to the provisions for termination as set forth in the Contract, the Contract and this Extension may be terminated as follows:

- 5.1 by mutual agreement of the parties;
- 5.2 by Contracting City upon notice of one year prior to the effective date of termination; or
- 5.3 by Texarkana, upon failure of Contracting City to perform any of its obligations under the Contract or the Extension, such failure not being cured by Contracting City within sixty (60) days following Texarkana giving Contracting City written notice of Texarkana's intent to terminate the Contract.

6. Dispute Resolution

If a dispute arises between the parties relating to rights, duties, or obligations arising out of the Contract or the Extension, the parties agree to the following dispute resolution procedures:

- 6.1 A meeting shall be held promptly between the parties or their designated representatives to attempt in good faith to informally negotiate a resolution of the dispute. Such negotiations may include one or both parties securing independent auditors or consultants.
- 6.2 If resolution is not readily achieved by informal negotiations, the parties may agree to select a neutral third party ("NTP") to assist in resolution of the dispute. If used, the NTP shall be a person with expertise in the subject matter of the dispute and in the interpretation of contract documents who is immediately available and acceptable to the parties. The NTP shall promptly convene a private meeting between representatives of the parties to hear the parties' positions and render oral recommendations for resolution of the dispute. The recommendations of the NTP shall not be binding on any party. By separate written agreement, the parties may further define the role of the NTP and may expand the NTP to consist of a team of persons possessing the necessary expertise. Use of the NTP is voluntary. No party to this Agreement will be deemed to be in breach of this Agreement solely because of a refusal to utilize a NTP.
- 6.3 If resolution is not achieved by informal negotiations, the dispute shall be settled by mandatory arbitration in accordance with and governed by Texas state law. Each city shall select a disinterested representative who shall be either a qualified registered engineer or certified public accountant experienced in municipal water supply accounting matters; the selected representatives of the cities shall choose a third person similarly qualified; the three persons shall then comprise the "arbitration panel" with authority as provided under Chapter 171 of the Texas Civil Practice and Remedies Code. The arbitration panel shall then determine the matter in dispute, which determination shall be binding on both cities.
- 6.4 At all times during the course of any dispute resolution, Texarkana and Contracting City shall continue diligently and without delay to perform the respective services and obligations of the Contract and Extension.
- 6.5 Each party shall pay its own costs and expenses, including attorney's fees, incurred during any facet of dispute resolution procedures outlined above. The fees and expenses of the NTP and arbitration panel shall be divided equally between Texarkana and Contracting City.

7. General Provisions

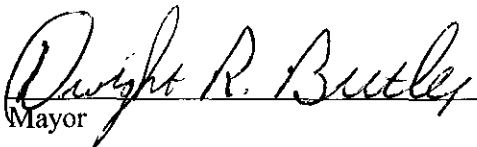
- 7.1 *No Impairment of Existing Contracts.* Nothing herein should be construed to diminish, impair, or abrogate any water supply contract that either party may have with a third party.

- 7.2 *No Third Party Beneficiaries.* Nothing herein should be construed to benefit any person or entity not a signatory to the Contract or the Extension.
- 7.3 *Governing Law.* The Contract and the Extension shall be governed exclusively by the laws of the State of Texas.
- 7.4 *Construction.* In construing the Contract and the Extension, none of the parties hereto shall have any term or provision, or any uncertainty or ambiguity as to any provisions herein, construed against such party solely by reason of such party having drafted the same.
- 7.5 *Independent Contractors.* The parties to the Contract and this Extension are independent contractors. No party shall exercise control over either the performance of any other party or the employees of any other party; and no party shall be deemed to be the agent, employee, or representative of any other party.
- 7.6 *Retroactive Effective Date.* The Extension becomes effective retroactively on October 1, 2009.
- 7.7 *Amendment.* Any amendment to the Contract or the Extension must be in writing. The Primary Contacts for Texarkana and Contracting City are delegated authority by their respective city councils to make technical amendments to the Contract or the Extension.

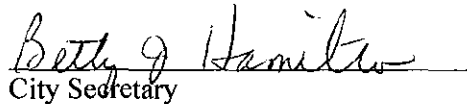
IN WITNESS WHEREOF, Texarkana, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and CEO/City Manager and attested by its City Secretary, and Contracting City, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and attested by its City Secretary.

IT IS AGREED:

Contracting City


Mayor

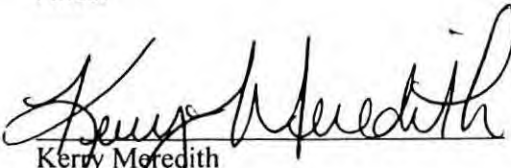
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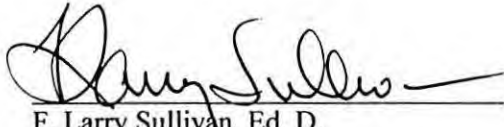

City Secretary

Texarkana, Texas

Attest


Stephen A. Mayo
Mayor


Kerry Meredith
City Secretary


F. Larry Sullivan, Ed. D.
CEO/City Manager

Approved as to Form:


Jeffery C. Lewis
Atchley, Russell, Waldrop & Hlavinka, LLP
Retained Legal Counsel

**Extension and Amendment
to
Water Supply Contract**

This Extension and Amendment to Water Supply Contract ("the Extension") is entered into by the City of Texarkana, Texas ("Texarkana"), and the City of New Boston, Texas ("Contracting City").

WHEREAS, by Resolution 117-65 dated December 17, 1965, the City Council of Texarkana authorized its City Manager, acting on behalf of Texarkana and as agent for Contracting City and other identified Texas cities, to make application to state authorities for Texarkana to be designated as cooperating local sponsor to negotiate with the United States Army Corps of Engineers for contractual rights to use additional water conservation storage space and to acquire a water permit in the Texarkana Reservoir, now called Lake Wright Patman Reservoir; and

WHEREAS, in the "Amended Application for Permit to Appropriate Public Water", No. 2552, signed by the City Manager of Texarkana on September 14, 1967, and filed with the Texas Water Rights Commission, Texarkana expressed its purpose and intent to administer the water sought for the purpose of serving not only the needs of Texarkana, but also those of Contracting City and other identified Texas cities equitably as their requirements may develop; and upon receipt of Application No. 2552, the Texas Water Rights Commission, on April 18, 1968, issued Permit No. 1563b, the particulars of which are stated in the Water Supply Contract between Texarkana and Contracting City made and entered the Contract on June 24, 1969 ("the Contract"); and

WHEREAS, Section 5 of the Contract provides in part that the Contract and the obligations of Contracting City to make prescribed monthly payments shall continue for the period that any of the Lake Texarkana Water Supply Corporation ("LTWSC") bonds are outstanding and unpaid; and

WHEREAS, LTWSC bonds have been paid, and LTWSC involuntarily dissolved effective March 21, 2007; and

WHEREAS, Section 5 of the Contract also provides in part that when LTWSC bonds have been paid, Contracting City has the right to an extension of the Contract, taking into consideration of any change in quantity desired by Contracting City, the availability thereof, and the costs involved in making deliveries to Contracting City, and Contracting City chooses to exercise its right to an extension of the Contract; and

WHEREAS, consistent with Sections 20 and 23 of the Contract, Texarkana and Contracting City, together with other Texas municipalities, on May 6, 2008, entered into an Interlocal Cooperation Agreement pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to work cooperatively to create a new water district functioning under the authority of Article 16, Section 59 of the Texas Constitution, and expressly agreed to identify and implement the means and methods of creating the new water district, including the development of enabling legislation, hiring of engineers, and identifying assets and property rights that the district would need to acquire or otherwise secure to effectuate its purposes, including those assets and property rights under existing water contracts between the parties that would be transferred to the district as a result of the parties agreeing to supersede those existing contracts for the creation of the district; and

WHEREAS, the 81st Texas Legislature, in regular session, enacted S.B. 1223 creating the new water district, Riverbend Water Resources District (“Riverbend”), codified in Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601, effective June 19, 2009, and Texarkana, Contracting City, and other Texas cities (“the other Riverbend cities”) are statutory members of Riverbend [see TEX. SPEC. DIST. LOC. LAWS CODE § 9601.005]; and

WHEREAS, pursuant to the Interlocal Cooperation Act, the parties to an interlocal contract may designate an existing local government to supervise the performance of an interlocal contract [TEX. GOV’T CODE § 791.013], and since Riverbend is an existing local government as defined under the Act [TEX. GOV’T CODE § 791.003(4)(A)], Contracting City desires to designate Riverbend to supervise the performance of the Contract and Extension for a specified fee to be paid by Contracting City, and Texarkana is agreeable to such designation.

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1. Extension and Renewal

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2. Riverbend to Supervise Performance

- 2.1 Contracting City designates Riverbend to supervise the performance of the Contract and Extension.
- 2.2 Contracting City shall pay Riverbend a fee for its supervisory services as specified in Section 3.2.2 of this Extension.

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- 3.1 *Billing and Tender of Payment.* Monthly billing to Contracting City shall issue from the Chief Financial Officer of Texarkana. Contracting City’s Monthly Payment under Section 1 of the Contract, as amended by this section 3 of the Extension, shall be tendered to Texarkana’s Chief Financial Officer.

- 3.2 *First Year of Term.* During the first year of the extension term, Contracting City's Monthly Payment under Section 1 of the Contract shall be set at \$0.70 per 1,000 gallons of potable water supplied to Contracting City, calculated as follows:
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- 3.2.2 *Riverbend Fee.* Contracting City dedicates from its own revenues an additional \$0.045 per 1,000 gallons of potable water supplied to Contracting City, which shall be paid to Riverbend as the fee for its supervision of the Contract and Extension.
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- 3.4.3.1 exceeds the past year's usage, then, a commensurate discount shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.
- 3.4.3.2 is less than the past year's usage, then, a commensurate premium shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.

- 3.4.4 The consensus amount for the next year's Monthly Payment shall be placed on the November agenda of a meeting of the Riverbend Board of Directors as a single action item. Texarkana's director on the Riverbend board shall formally recommend the next year's Potable Water Rate, and Riverbend's Executive Director/General Manager shall formally recommend the new Riverbend Fee. A simple majority vote of the Riverbend Board of Directors in favor of the new Monthly Payment shall establish, for Contracting City, the new Monthly Payment under this Extension for the subsequent year of the term.
- 3.4.5 In the event Contracting City is in arrears in performing the payment obligations owed to Texarkana under the Contract or the Extension, the Potable Water Rate as determined in the "true-up" process shall constitute only a floor or base rate, to which Texarkana may add an additional premium to liquidate the unpaid balance due and owing to Texarkana.
- 3.4.6 Any dispute arising during the "true-up" process or in establishing a Monthly Payment for subsequent years of the term shall be resolved pursuant to Section 6 of this Extension. Pending the resolution of any dispute, the Potable Water Rate component of the Monthly Payment shall remain fixed at the parties' last agreed-upon rate.

4. Primary Contacts

The parties establish the primary contact persons for any issue arising under or touching upon the Contract as amended herein and the Extension, or for any notice required in the Contract or Extension:

- 4.1 for Texarkana, its CEO/City Manager; and
- 4.2 for Contracting City, its Mayor.

5. Termination

In addition to the provisions for termination as set forth in the Contract, the Contract and this Extension may be terminated as follows:

- 5.1 by mutual agreement of the parties;
- 5.2 by Contracting City upon notice of one year prior to the effective date of termination; or
- 5.3 by Texarkana, upon failure of Contracting City to perform any of its obligations under the Contract or the Extension, such failure not being cured by Contracting City within sixty (60) days following Texarkana giving Contracting City written notice of Texarkana's intent to terminate the Contract.

6. Dispute Resolution

If a dispute arises between the parties relating to rights, duties, or obligations arising out of the Contract or the Extension, the parties agree to the following dispute resolution procedures:

- 6.1 A meeting shall be held promptly between the parties or their designated representatives to attempt in good faith to informally negotiate a resolution of the dispute. Such negotiations may include one or both parties securing independent auditors or consultants.
- 6.2 If resolution is not readily achieved by informal negotiations, the parties may agree to select a neutral third party ("NTP") to assist in resolution of the dispute. If used, the NTP shall be a person with expertise in the subject matter of the dispute and in the interpretation of contract documents who is immediately available and acceptable to the parties. The NTP shall promptly convene a private meeting between representatives of the parties to hear the parties' positions and render oral recommendations for resolution of the dispute. The recommendations of the NTP shall not be binding on any party. By separate written agreement, the parties may further define the role of the NTP and may expand the NTP to consist of a team of persons possessing the necessary expertise. Use of the NTP is voluntary. No party to this Agreement will be deemed to be in breach of this Agreement solely because of a refusal to utilize a NTP.
- 6.3 If resolution is not achieved by informal negotiations, the dispute shall be settled by mandatory arbitration in accordance with and governed by Texas state law. Each city shall select a disinterested representative who shall be either a qualified registered engineer or certified public accountant experienced in municipal water supply accounting matters; the selected representatives of the cities shall choose a third person similarly qualified; the three persons shall then comprise the "arbitration panel" with authority as provided under Chapter 171 of the Texas Civil Practice and Remedies Code. The arbitration panel shall then determine the matter in dispute, which determination shall be binding on both cities.
- 6.4 At all times during the course of any dispute resolution, Texarkana and Contracting City shall continue diligently and without delay to perform the respective services and obligations of the Contract and Extension.
- 6.5 Each party shall pay its own costs and expenses, including attorney's fees, incurred during any facet of dispute resolution procedures outlined above. The fees and expenses of the NTP and arbitration panel shall be divided equally between Texarkana and Contracting City.

7. General Provisions

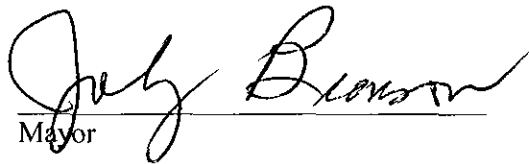
- 7.1 *No Impairment of Existing Contracts.* Nothing herein should be construed to diminish, impair, or abrogate any water supply contract that either party may have with a third party.

- 7.2 *No Third Party Beneficiaries.* Nothing herein should be construed to benefit any person or entity not a signatory to the Contract or the Extension.
- 7.3 *Governing Law.* The Contract and the Extension shall be governed exclusively by the laws of the State of Texas.
- 7.4 *Construction.* In construing the Contract and the Extension, none of the parties hereto shall have any term or provision, or any uncertainty or ambiguity as to any provisions herein, construed against such party solely by reason of such party having drafted the same.
- 7.5 *Independent Contractors.* The parties to the Contract and this Extension are independent contractors. No party shall exercise control over either the performance of any other party or the employees of any other party; and no party shall be deemed to be the agent, employee, or representative of any other party.
- 7.6 *Retroactive Effective Date.* The Extension becomes effective retroactively on October 1, 2009.
- 7.7 *Amendment.* Any amendment to the Contract or the Extension must be in writing. The Primary Contacts for Texarkana and Contracting City are delegated authority by their respective city councils to make technical amendments to the Contract or the Extension.

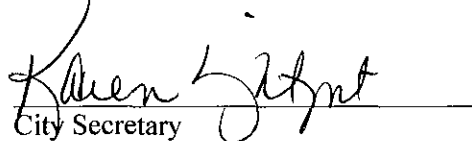
IN WITNESS WHEREOF, Texarkana, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and CEO/City Manager and attested by its City Secretary, and Contracting City, as properly authorized by its City Council, has caused this Extension to be executed by its Mayor and attested by its City Secretary.

IT IS AGREED:

Contracting City


Mayor

Attest


City Secretary

Texarkana, Texas

Attest


Stephen A. Mayo
Mayor


Kerry Meredith
City Secretary


F. Larry Sullivan, Ed. D.
CEO/City Manager

Approved as to Form:


Jeffery C. Lewis
Atchley, Russell, Waldrop & Hlavinka, LLP
Retained Legal Counsel

**Extension and Amendment
to
Water Supply Contract**

This Extension and Amendment to Water Supply Contract ("the Extension") is entered into by the City of Texarkana, Texas ("Texarkana"), and the City of Wake Village, Texas ("Contracting City").

WHEREAS, by Resolution 117-65 dated December 17, 1965, the City Council of Texarkana authorized its City Manager, acting on behalf of Texarkana and as agent for Contracting City and other identified Texas cities, to make application to state authorities for Texarkana to be designated as cooperating local sponsor to negotiate with the United States Army Corps of Engineers for contractual rights to use additional water conservation storage space and to acquire a water permit in the Texarkana Reservoir, now called Lake Wright Patman Reservoir; and

WHEREAS, in the "Amended Application for Permit to Appropriate Public Water", No. 2552, signed by the City Manager of Texarkana on September 14, 1967, and filed with the Texas Water Rights Commission, Texarkana expressed its purpose and intent to administer the water sought for the purpose of serving not only the needs of Texarkana, but also those of Contracting City and other identified Texas cities equitably as their requirements may develop; and upon receipt of Application No. 2552, the Texas Water Rights Commission, on April 18, 1968, issued Permit No. 1563b, the particulars of which are stated in the Water Supply Contract between Texarkana and Contracting City made and entered the Contract on June 24, 1969 ("the Contract"); and

WHEREAS, Section 5 of the Contract provides in part that the Contract and the obligations of Contracting City to make prescribed monthly payments shall continue for the period that any of the Lake Texarkana Water Supply Corporation ("LTWSC") bonds are outstanding and unpaid; and

WHEREAS, LTWSC bonds have been paid, and LTWSC involuntarily dissolved effective March 21, 2007; and

WHEREAS, Section 5 of the Contract also provides in part that when LTWSC bonds have been paid, Contracting City has the right to an extension of the Contract, taking into consideration of any change in quantity desired by Contracting City, the availability thereof, and the costs involved in making deliveries to Contracting City, and Contracting City chooses to exercise its right to an extension of the Contract; and

WHEREAS, consistent with Sections 20 and 23 of the Contract, Texarkana and Contracting City, together with other Texas municipalities, on May 6, 2008, entered into an Interlocal Cooperation Agreement pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to work cooperatively to create a new water district functioning under the authority of Article 16, Section 59 of the Texas Constitution, and expressly agreed to identify and implement the means and methods of creating the new water district, including the development of enabling legislation, hiring of engineers, and identifying assets and property rights that the district would need to acquire or otherwise secure to effectuate its purposes, including those assets and property rights under existing water contracts between the parties that would be transferred to the district as a result of the parties agreeing to supersede those existing contracts for the creation of the district; and

WHEREAS, the 81st Texas Legislature, in regular session, enacted S.B. 1223 creating the new water district, Riverbend Water Resources District ("Riverbend"), codified in Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601, effective June 19, 2009, and Texarkana, Contracting City, and other Texas cities ("the other Riverbend cities") are statutory members of Riverbend [*see* TEX. SPEC. DIST. LOC. LAWS CODE § 9601.005]; and

WHEREAS, pursuant to the Interlocal Cooperation Act, the parties to an interlocal contract may designate an existing local government to supervise the performance of an interlocal contract [TEX. GOV'T CODE § 791.013], and since Riverbend is an existing local government as defined under the Act [TEX. GOV'T CODE § 791.003(4)(A)], Contracting City desires to designate Riverbend to supervise the performance of the Contract and Extension for a specified fee to be paid by Contracting City, and Texarkana is agreeable to such designation.

NOW THEREFORE, pursuant to Chapter 791 of the Texas Government Code, and in consideration of the premises and the mutual promises, covenants and agreements contained herein, Texarkana and Contracting City hereby agree as follows:

1. Extension and Renewal

- 1.1 The Contract is extended for an additional five-year term and shall automatically renew for subsequent, one-year terms, unless terminated pursuant to paragraph 5.
- 1.2 The Contract remains in full force and effect except as otherwise amended herein or rendered obsolete by virtue of LTWSC bonds being completely paid and the involuntary dissolution of LTWSC.
- 1.3 Texarkana reaffirms its Resolution 117-65 dated December 17, 1965, and its Application No. 2552 signed by the City Manager of Texarkana on September 14, 1967, for the purposes stated therein.

2. Riverbend to Supervise Performance

- 2.1 Contracting City designates Riverbend to supervise the performance of the Contract and Extension.
- 2.2 Contracting City shall pay Riverbend a fee for its supervisory services as specified in Section 3.2.2 of this Extension.

3. Contracting City's Monthly Payment

- 3.1 *Billing and Tender of Payment.* Monthly billing to Contracting City shall issue from the Chief Financial Officer of Texarkana. Contracting City's Monthly Payment under Section 1 of the Contract, as amended by this section 3 of the Extension, shall be tendered to Texarkana's Chief Financial Officer.

- 3.2 *First Year of Term.* During the first year of the extension term, Contracting City's Monthly Payment under Section 1 of the Contract shall be set at \$0.70 per 1,000 gallons of potable water supplied to Contracting City, calculated as follows:
- 3.2.1 *Potable Water Rate.* The agreed rate for potable water under the Contract shall be set at \$0.655 per 1,000 gallons of water supplied to Contracting City.
- 3.2.2 *Riverbend Fee.* Contracting City dedicates from its own revenues an additional \$0.045 per 1,000 gallons of potable water supplied to Contracting City, which shall be paid to Riverbend as the fee for its supervision of the Contract and Extension.
- 3.3 *Texarkana to Forward Riverbend Fee.* Contracting City acknowledges that the other Riverbend cities have water supply contracts with Texarkana and are entering into extensions of those contracts in substantially similar terms as this Extension. Upon receipt of Contracting City's Monthly Payment and the monthly payments from the other Riverbend cities, Texarkana shall forward to Riverbend one check which shall constitute the aggregate of the Riverbend Fee received from Contracting City and the other Riverbend cities during the given month.
- 3.4 *Subsequent Years of Term.* Contracting City's Monthly Payment under Section 1 of the Contract during subsequent years of the extension term shall be determined in the following manner:
- 3.4.1 No later than August of each calendar year, the parties shall confer and compare trend data and past usage of potable water with the actual billing (the "true-up" process). No later than November of each calendar year, the parties shall reach a consensus on the next year's Monthly Payment. To facilitate Contracting City's preparation of an annual budget, the Potable Water Rate component of the Monthly Payment shall be an averaged, fixed monthly charge, computed on an annual basis.
- 3.4.2 Riverbend shall be Contracting City's agent during the "true-up" process. Any adjustment to the Riverbend Fee shall also be evaluated and determined by Contracting City and Riverbend.
- 3.4.3 If, during the "true-up" process, it is determined that the past year's actual billing of the Potable Water Rate:
- 3.4.3.1 exceeds the past year's usage, then, a commensurate discount shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.
- 3.4.3.2 is less than the past year's usage, then, a commensurate premium shall be computed on an annual basis, then pro-rated and applied to each monthly Potable Water Rate charge for the next year.

- 3.4.4 The consensus amount for the next year's Monthly Payment shall be placed on the November agenda of a meeting of the Riverbend Board of Directors as a single action item. Texarkana's director on the Riverbend board shall formally recommend the next year's Potable Water Rate, and Riverbend's Executive Director/General Manager shall formally recommend the new Riverbend Fee. A simple majority vote of the Riverbend Board of Directors in favor of the new Monthly Payment shall establish, for Contracting City, the new Monthly Payment under this Extension for the subsequent year of the term.
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- 3.4.6 Any dispute arising during the "true-up" process or in establishing a Monthly Payment for subsequent years of the term shall be resolved pursuant to Section 6 of this Extension. Pending the resolution of any dispute, the Potable Water Rate component of the Monthly Payment shall remain fixed at the parties' last agreed-upon rate.

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In addition to the provisions for termination as set forth in the Contract, the Contract and this Extension may be terminated as follows:

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If a dispute arises between the parties relating to rights, duties, or obligations arising out of the Contract or the Extension, the parties agree to the following dispute resolution procedures:

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7. General Provisions

- 7.1 *No Impairment of Existing Contracts.* Nothing herein should be construed to diminish, impair, or abrogate any water supply contract that either party may have with a third party.

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- 7.5 *Independent Contractors.* The parties to the Contract and this Extension are independent contractors. No party shall exercise control over either the performance of any other party or the employees of any other party; and no party shall be deemed to be the agent, employee, or representative of any other party.
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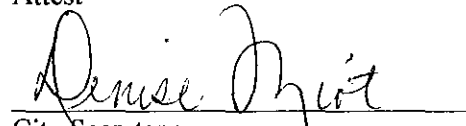
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IT IS AGREED:

Contracting City


Mayor

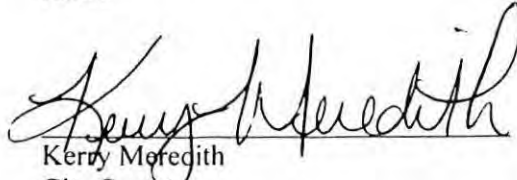
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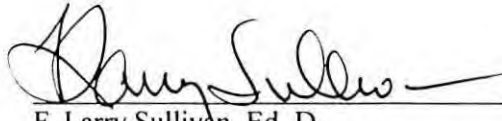

City Secretary

Texarkana, Texas

Attest


Stephen A. Mayo
Mayor


Kerry Meredith
City Secretary


F. Larry Sullivan, Ed. D.
CEO/City Manager

Approved as to Form:

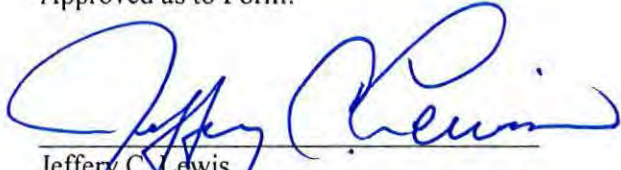

Jeffery C. Lewis
Atchley, Russell, Waldrop & Hlavinka, LLP
Retained Legal Counsel

EXHIBIT D

Riverbend Regional Water Master Plan Study

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water



Class III Cost Estimate for Alternate 3A Modified and Alternate 4B

Riverbend Water Resources District

July 13, 2018

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

Contents

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2.	Methodology for Development of Estimate	2
3.	Basis of Estimate and Assumptions	3
Appendix A - Opinion of Probable Construction Cost		
Appendix B - Phasing Diagram and System Alignment Diagrams		

1. Introduction

AECOM was retained by Riverbend Water Resources District to perform a Class III Estimate for the Alternate 3A Modified and Alternate 4B. Deliverables include the AACE CI III estimate, a phasing approach to minimize initial capital costs, sufficient details for a CI III estimate, a basis of estimate, and a cover memo. The cost estimate includes pricing estimates for items associated with the transmission and treatment of raw water from Wright Patman Lake, such as the raw water intake structure, raw water transmission pipeline, drinking water treatment plant, high service pumping station, distribution lines, storage tanks, industrial reuse treatment scheme, and a package water treatment plant to serve the customers of Riverbend Water Resources District. These facilities are proposed to be developed in a total of seven phases, as outlined in Table 1.

Table 1: Phasing

Phase 1A
Raw Water Intake
Raw Water Pump Station and Access Road
Raw Water Line to New Surface Water Treatment Plant Location
Distribution Pipelines, Storage and Pumping
Phase 1B
New Surface Water Treatment Plant (25 MGD)
Distribution Pipelines, Storage and Pumping
Phase 2A
Raw Water Capacity Expansion
Expansion of new Surface Water Treatment Plant (28MGD)
New Boston Road Water Treatment Plant Demolition
Distribution Pipelines, Storage and Pumping
Phase 2B
Raw Water Capacity Expansion
Expansion of new Surface Water Treatment Plant (30MGD)
Distribution Pipelines, Storage and Pumping
Industrial Reuse Treatment Facility
Phase 3A
Raw Water Pump Station Expansion
Raw Water Parallel Pipeline
Expansion of new Surface Water Treatment Plant (40MGD)
Distribution Pipelines, Storage and Pumping
Phase 3B
Raw Water Supply Capacity Expansion
Phase 4B
Raw Water Pipeline from the IP Intake
Regional Surface Water Treatment Plant (2.5 MGD)
Distribution Pipelines, Storage and Pumping

2. Methodology for Development of Estimate

In general, opinions of probable construction costs are defined by several characteristics, including the level of project definition, the intended purpose of the estimate, the level of effort, the methodology used, and the expected accuracy. The estimate performed by AECOM was a Class 3 Estimate, which is defined by the American Association of Cost Engineering and ASTM Standards International to be substantiated by preliminary engineering calculations and other stochastic methods, such as analysis of comparable construction projects and actual regional construction costs. Sketches of proposed systems were developed by AECOM and then priced, and product manufacturers were contacted to receive budgetary quotes for manufactured components.

For all Class III Cost Estimates, various contingencies are included to accommodate for future unknowns. These contingencies accommodate for future market conditions or future unknowns of existing conditions. Of the two contingencies, market based contingencies are more uncertain, especially as the timeline is projected farther out. Definition of work contingencies can be controlled by gathering more information about the project, such as performing geotechnical investigations, analyses of water quality data, or pipeline condition assessments. Additionally, performing detailed engineering design will improve the accuracy of construction costs.

3. Basis of Estimate and Assumptions

The cost estimate was developed with the following assumptions.

Global Exclusions and Assumptions

The following assumptions apply to all items within the estimate:

- All costs are in 2018 dollars. No escalation is included in this estimate.
- There is a contingency cost included at 20% within each line item grand total.
- Mobilization, OH&P, permits, bonds, general conditions are included within each line item's grand total. The cost percentage for mobilization and demobilization is 1%; the cost percentage for OH&P is 15%.
- Water supply demand was not verified. Storage tank volumes and distribution piping were sized and priced according to information provided by Susan Roth Consulting.

Phase and Line Item Specific Clarifications, Assumptions and Caveats

Below are assumptions and descriptions that formed the basis of the estimate, by line item.

Phase 1A

- Raw Water Intake:
 - Two 60 MGD intake tunnels are proposed to be installed in Phase 1A.
 - A single bore pit was priced for construction of two bores, one for Phase 1A and the second to support Phase 3. The bore pit is the same as the wet well excavation.
 - A static screen on intake lines at two pool levels was priced with no air burst. It is assumed that periodic inspection and manual cleaning shall be required.
- Raw Water Pump Station:
 - A conventional cast in place concrete wetwell is proposed.
 - The proposed raw water pumps are vertical turbine pumps with variable frequency drives and a local combined flow meter controlling the flow rate to the plant.
 - While the pump station enclosure would be ventilated, only the electrical room would have a HVAC system.
 - There is no chemical feed for zebra mussel elimination/population control.
 - Primary power costs to extend power from the grid to the site are not included. Pricing for power connections must be determined through contacting power suppliers.
 - Pricing for access roadway to site was included as an allowance. Costing was based on installing a driveway that is 3.5 miles long and 12-ft wide of gravel. The cost does not include subgrade enhancements, fencing, or any significant drainage power or pipeline crossings.
- Raw Water Pipeline:
 - The raw water line is proposed to include isolation (at 1 mile intervals) and air/vacuum release valves (at 1 mile intervals). No vaults or below grade access points are included to reduce costs.
 - The pipeline pigging station would be above ground without vault access.
 - The raw water pipeline was routed according to mapping provided by Susan Roth Consulting and without any intermediate takeoffs.

Phase 1B

- Water Treatment Plant:
 - A flow split box is proposed to provide equal flow split to four treatment trains.

- A conventional treatment design was proposed for plant operation. This consists of coagulation, flocculation, solids separation, ozonation, biologically activated filters, and disinfection.
- Each initial treatment train is sized for 8.3 MGD, which is upgradable to 10 MGD with the addition of plates in the solids separation step. Expansion of the plant is phased according to projected demand.
- Pricing includes a sludge lagoon and recycling station.
- Two (2) 10 MG storage tanks are proposed.
- Pricing includes a high service pump station for the treatment plant.
- Distribution Piping:
 - Pricing includes replacement of the 10" member line from the TAC to Maud, including creek and drainage crossings. No regional storage tanks are included in Maud since it is located at the end of the regional distribution line.
 - Replacement of the 30" member line from the Riverbend Tie-in to TAC, including street, drainage, and railroad crossings.
 - Replacement of the 24" member line from the TAC to City of New Boston, including street, drainage, and railroad crossings.
 - Pricing is included for City of New Boston storage tanks and a booster pump station.
 - Pricing includes repair and replacement of 75% of the 30-inch service line that runs from the Riverbend Tie-in to the New Boston Road Water Treatment Plant.

Phase 2A

- Raw Water Intake:
 - Addition of two (2) intake screens.
- Raw Water Pump Station:
 - Two (2) additional pumps and associated piping and appurtenances were priced.
- Water Treatment Plant:
 - To meet the future expected demand of 27 MGD, one treatment train is proposed to be upgraded with the installation of settling plates.
- Demolition of the TWU New Boston Road Water Treatment Plant
- Distribution Piping:
 - Replacement of the 24" member line from the City of New Boston to the Central Bowie County, replacement of storage tanks, and installation of a booster pump station.
 - Replacement of the 24" member line from Central Bowie County to De Kalb, replacement of storage tanks, and installation of a booster pump station.
 - Construction of additional storage facilities located at the TAC and a booster pump station
 - Construction of Redwater regional Storage tanks and a booster pump station

Phase 2B

- Raw Water Pump Station:
 - Installation of one (1) additional 10MGD (7000 gpm) pump and associated piping appurtenances.
- Water Treatment Plant:
 - To meet the future expected demand of 30 MG, two (2) treatment trains are proposed to be upgraded from 8.3 MGD each to 10 MGD each by the installation of settling plates.
 - It is proposed to expand the sludge lagoons to accommodate additional solids.
- Distribution Piping:
 - Replacement of the 12" member line from De Kalb to the City of Avery, replacement of the associated storage tanks, and installation of a booster pump station
 - Replacement of the 12" member line from the City of Avery to the City of Annona, replacement of the associated storage tanks, and installation of a booster pump station
 - A 1.1 MG storage tank is proposed to be located at the TAC with an associated booster pump station
- Industrial Reuse:
 - It is assumed that the industrial reuse treatment train will treat effluent from a paper mill. The treated water will be non-potable and discharged into Lake Wright Patman. The treatment capacity for industrial reuse is proposed to be 15 MGD.
 - Screening, ozonation, and biologically activated filters were proposed as the industrial reuse treatment scheme.

Phase 3A

- Raw Water Intake:
 - The pump station wet well expansion is planned for an additional 60 MGD.
 - Screens for additional 30 MGD intake capacity
- Raw Water Pump Station:
 - An additional 30 MGD of pumping capacity in a 3+1 pump system is proposed, with one on standby.
 - Installation of associated pump station components
- Raw Water Pipeline:
 - Install the second proposed 63.3-inch OD HDPE pipeline parallel to existing 63-inch line
- Water Treatment Plant:
 - Construction of a new 10 MGD treatment train with similar sizing and equipment, such as flocculators and plates, to the trains installed in Phase 1B.
 - Treatment Train No. 3 should be upgraded to 10 MGD to make the total plant capacity 40 MGD.
 - Addition of a high service pump is proposed to accommodate the additional 10 MGD.
- Distribution Piping:
 - Construction of 15.3 MG City of Redwater storage tanks with a booster pump station.
 - Construction of 15.3 MG TAC storage tanks with a booster pump station.

Phase 3B:

- Raw Water Intake:
 - Screens for additional 30 MGD intake capacity
- Raw Water Pump Station:
 - Installation of three (3) additional 10 MGD pumps for an additional 30 MGD pumping capacity. Raw water pump station has total buildout of 120 MGD.

Alternate 4B

- A 12" transmission pipeline is proposed to be connected from the IP intake, which would be routed to the new WTP site.
- An additional 2.5 MGD package water treatment plant is proposed, along with clearwells for a total of 3 MG ground storage capacity, high service pumps, and electrical modifications.
- The estimate includes distribution pipelines to Domino, Queen City, and Atlanta.
- Two (2) 635,000 gallon storage tanks are proposed, one located in Queen City, and one located in Atlanta.

The enclosed Opinion of Probable Cost is an estimate of possible construction costs for budgeting purposes. This estimate is limited to the conditions existing at issuance and is not a guaranty of actual price or cost. Uncertain market conditions such as, but not limited to, local labor or contractor availability, wages, other work, material market fluctuations, price escalations, force majeure events and developing bidding conditions, etc. may affect the accuracy of this estimate. AECOM is not responsible for any variance from this Opinion of Probable Construction Cost or actual prices and conditions obtained.



Appendix A

Opinion of Probable Construction Costs

Riverbend Water Resources District
Water Supply Project

Project name	Water Supply Project TX USA
Estimator	Bill Bachman
Labor rate table	1 AECOM RATES 18
Equipment rate table	Equip - ACM 171d wrk
Job size	120 MGD
Bid date	7/20/2018
Project Office	Utility Houston
Principal Party	Ron Cass
Estimating Office	Greenville
Estimate Class Lvl	3
Purpose of Estim	Engineer's
FY Estimate	2018
Estimate Number	18-043
Notes	Engineer's budget estimate for 120 MGD raw water supply, treatment and distribution. Project separated into seven construction phases. Rev2- moved distribution piping (wbs level 2- labeled 30) in 1A (except Riverbend WTP to Riverbend Tie-in, 9485 lf) and distribution piping in1B to phase 2A. Rev 4 added Raw Water Pump Station access road. This Opinion of Probable Cost is only an estimate of possible construction costs for budgeting purposes. This estimate is limited to the conditions existing at issuance and is not a guaranty of actual price or cost. Uncertain market conditions such as, but not limited to; local labor or contractor availability, wages, other work, material market fluctuations, price escalations, force majeure events and developing bidding conditions, etc. may affect the accuracy of this estimate. AECOM is not responsible for any variance from this Opinion of Probable Cost or actual prices and conditions obtained. Lengend: BAF: Biologically Activated Filter CSI: Constructions Standard Insitute DI: Ductile Iron DIP: Ductile Iron Pipe Dia: Diameter Div: Division DR: Dimension Ratio GAC: Granular Activated Carbon GPM: Gallons Per Minute HDPE: High Density Polyethylene HP: Horsepower MGD: Million Gallons Per Day MJ: Mechanical Joint PSI: Pounds Per Square Inch RJ: Restrained Joint ROW: Right of Way RR: Railroad Std: Standard TAC: TexAmerica Center T&D: Transportation & Disposal VFD: Variable Frequency Drive WBS: Work Breakdown Structure Wgt: Weight
Report format	Sorted by 'WBS Lvl 1/WBS Lvl 2/WBS Lvl 3/WBS Lvl 4/CSI Lvl' 'Detail' summary Print sort level notes
Cost index	TX, Texarkana (2018)

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
01					Alternate 3A Modified- Phase 1A																			
	10				Raw Water Supply																			
		100			Intake Structure and Pipeline from Lake to Wetwell (60 MGD)																			
			110		Microtunneling																			
				Div 03	Concrete																			
					New Wetwell MTBM Launch Modifications	1 ls		250,000.00	250,000	144,027	394,027.30	394,027	0.11				0.00	0	250,000.00	250,000			-	
					New Wetwell MTBM Launch Modifications/Removal	1 ls		50,000.00	50,000	28,805	78,805.46	78,805	0.02						50,000.00	50,000			-	
					Div 03 Concrete	1 cy		300,000.00	300,000	172,833	472,832.76	472,833	0.13						300,000.00	300,000				
				Div 31	Earthwork																			
					28 ft. diameter Concrete Intermediate Shaft	72 vf		38,525.00	2,773,800	1,598,012	60,719.61	4,371,812	1.19		-	-	-	-	38,525.00	2,773,800	-	-	-	-
					28 ft. diameter Concrete Intermediate Shaft	72 vf		38,525.00	2,773,800	1,598,012	60,719.61	4,371,812	1.19		-	-	-	-	38,525.00	2,773,800	-	-	-	-
					Div 31 Earthwork	1 ls		5,547,600.00	5,547,600	3,196,023	8,743,623.44	8,743,623	2.39						5,547,600.00	5,547,600				
				Div 33	Utilities																			
					MTBM Mobilization & Demobilization	2 ea		50,000.00	100,000	57,611	78,805.46	157,611	0.04		-	-	-	-	50,000.00	100,000	-	-	-	-
					Microtunneling - 72" diameter steel pipe	6,000 lf		1,843.20	11,059,200	6,371,307	2,905.08	17,430,507	4.76	Utilize pump station shoring and excavation for microtunneling launch pit.	-	-	-	-	1,843.20	11,059,200	-	-	-	-
					MTBM Wet Recovery at Lake	2 ea		150,000.00	300,000	172,833	236,416.39	472,833	0.13		-	-	-	-	150,000.00	300,000	-	-	-	-
					Div 33 Utilities	1 ls		11,459,200.00	11,459,200	6,601,751	18,060,950.64	18,060,951	4.93						11,459,200.00	11,459,200				
					110 Microtunneling	6,000 lf		2,884.47	17,306,800	9,970,607	4,546.23	27,277,407	7.45						2,884.47	17,306,800				
				112	Raw Water Intake Structure																			
				Div 35	Waterway and Marine																			
					Mobilize & Demobilize Barges, Crane/Drilling Rig, Crew	1 ls	176	23,925.22	23,925	15,025	38,949.80	38,950	0.01		7,871.70	7,872			-	-	16,053.52	16,054	-	
					Augered Piles CIP 12" x 25 ft.	12 ea	459	5,108.69	61,304	38,481	8,315.41	99,785	0.03		1,711.24	20,535	267.50	3,210	-	-	3,129.95	37,559	-	
					Install Pipe Saddles/Connectors to Concrete Piers	6 ea	168	8,607.19	51,643	32,841	14,080.65	84,484	0.02		1,393.61	8,362	4,200.00	25,200	-	-	3,013.57	18,081	-	
					CS Sch 40 A53 ERW PE 72"	200 lf	224	750.29	150,057	96,049	1,230.53	246,106	0.07	Fabricated with tees and blind flanges.	55.75	11,149	574.00	114,800	-	-	120.54	24,109	-	
					CS Std Wt Tee 72"	4 ea		6,750.00	27,000	17,377	11,094.37	44,377	0.01				6,750.00	27,000	-	-	-	-	-	
					CS Blind Flange 72"	2 ea		4,490.00	8,980	5,780	7,379.81	14,760	0.00				4,490.00	8,980	-	-	-	-	-	
					Div 35 Waterway and Marine	1 ls	1,027	322,910.10	322,910	205,552	528,461.95	528,462	0.14		47,917.13	47,917	179,190.00	179,190			95,802.97	95,803		
				Div 46	Water and Wastewater Equipment																			
					Intake Screen, RAW Water, 72" disch, 336" OAL, 316L SS	2 ea	224	92,628.74	185,257	118,704	151,980.66	303,961	0.08	Plug price pending vendor quote.	5,574.45	11,149	-	-	0.00	0	12,054.29	24,109	75,000.00	150,000
					Div 46 Water and Wastewater Equipment	1 ls	224	185,257.48	185,257	118,704	303,961.31	303,961	0.08		11,148.90	11,149					24,108.58	24,109	150,000.00	150,000
					112 Raw Water Intake Structure	2 ea	1,251	254,083.79	508,168	324,256	416,211.63	832,423	0.23		29,533.01	59,066	89,595.00	179,190			59,955.78	119,912	75,000.00	150,000
					100 Intake Structure and Pipeline from Lake to Wetwell (60 MGD)	1 ls	1,251	17,814,967.58	17,814,968	10,294,863	28,109,830.10	28,109,830	7.67		59,066.03	59,066	179,190.00	179,190	17,306,800.00	17,306,800	119,911.55	119,912	150,000.00	150,000
		105			Intake Pump Station Wetwell for Phases 1 & 2 (60 MGD)																			
			40		Sitework																			
				Div 31	Earthwork																			
					Selective Clearing & Grubbing	1 ac	64	4,780.58	4,781	2,959	7,739.09	7,739	0.00	30 ft wide.	2,491.27	2,491	-	-	-	-	2,289.31	2,289	-	
					Site Grading	1 ls	48	3,686.65	3,687	2,282	5,968.55	5,969	0.00		1,912.66	1,913	-	-	-	-	1,773.99	1,774	-	
					Div 31 Earthwork	1 ls	112	8,467.23	8,467	5,240	13,707.64	13,708	0.00		4,403.93	4,404					4,063.30	4,063		
				Div 32	Exterior Improvements																			
					Access Road Allowance	1 ls		507,579.00	507,579	292,421	799,999.95	800,000	0.22	Based on 3.5 miles, 12 ft. wide stone, minimal clearing and graing.	-	-	-	-	507,579.00	507,579	-	-	-	
					Misc. Site Improvements	1 ls		10,000.00	10,000	5,761	15,761.08	15,761	0.00	Stone driveway, fencing.	-	-	-	-	10,000.00	10,000	-	-	-	
					Hydroseeding/Restoration	1 ac		3,000.00	3,000	1,728	4,728.33	4,728	0.00		-	-	-	-	3,000.00	3,000	-	-	-	
					Div 32 Exterior Improvements	1 ls		520,579.00	520,579	299,910	820,489.36	820,489	0.22						520,579.00	520,579				
					40 Sitework	1 ls	112	529,046.23	529,046	305,151	834,197.00	834,197	0.23		4,403.93	4,404			520,579.00	520,579	4,063.30	4,063		
				50	Shoring																			
				Div 31	Earthwork																			
					Tie-Backs - 25' to 35' long	42 ea		2,750.00	115,500	66,541	4,334.30	182,041	0.05						2,750.00	115,500				-
					Shoring- Structure Pile & Lag 65' deep	12,870 sf	3,775	40.16	516,843	326,126	65.50	842,969	0.23		10.66	137,244	25.00	321,750	-	-	4.50	57,849	-	
					Div 31 Earthwork	1 ls	3,775	632,343.08	632,343	392,666	1,025,009.57	1,025,010	0.28		137,243.93	137,244	321,750.00	321,750	115,500.00	115,500	57,849.15	57,849		
					50 Shoring	12,870 sf	3,775	49.13	632,343	392,666	79.64	1,025,010	0.28		10.66	137,244	25.00	321,750	8.97	115,500	4.50	57,849		
				60	Dewatering																			
				Div 31	Earthwork																			
					24" Wells, well casing, pea gravel	150 lf		150.00	22,500	12,962	236.42	35,462	0.01	Based on 2 ea. 75 deep wells.					150.00	22,500				-
					Set & Wire Pumps	2 ea	48	26,371.55	52,743	33,844	43,293.63	86,587	0.02		1,071.63	2,143	25,000.00	50,000	-	-	299.93	600	-	
					Maintenance/Operation	2 ea	96	3,743.10	7,486	4,615	6,050.39	12,101	0.00		2,143.25	4,287	1,000.00	2,000	-	-	599.85	1,200	-	
					Suction Piping	100 lf	44	39.94	3,994	2,478	64.72	6,472	0.00		19.48	1,948	15.00	1,500	-	-	5.45	545	-	
					Header Piping	250 lf	60	48.72	12,179	7,711	79.56	19,890	0.01		10.72	2,679	35.00	8,750	-	-	3.00	750	-	
					Valving	1 ls	48	22,743.10	22,743	14,536	37,278.97	37,279	0.01		2,143.25	2,143	20,000.00	20,000	-	-	599.85	600	-	
					Run Temp Power to Pumps	2 ea	64	3,580.78	7,162	4,479	5,820.24	11,640	0.00		1,371.58	2,743	2,000.00	4,000	-	-	209.20	418	-	
					Electric Consumption	4 mo		2,500.00	10,000	6,436	4,109.03	16,436	0.00				2,500.00	10,000	-	-			-	
					Remove Dewatering System	2 ea	48	1,598.83	3,198	1,926	2,561.60	5,123	0.00		1,071.63	2,143			227.28	455	299.93	600	-	
					Div 31 Earthwork	1 ls	408	142,004.20	142,004	88,987	230,990.85	230,991	0.06		18,086.87	18,087	96,250.00	96,250	22,954.55	22,955	4,712.78	4,713		
					60 Dewatering	1 ls	408	142,004.20	142,004	88,987	230,990.85	230,991	0.06		18,086.87	18,087	96,250.00	96,250	22,954.55	22,955	4,712.78	4,713		
				70	Excavation & Backfill																			
				Div 31	Earthwork																			
					Excavation of Pump Station Structure & Microtunneling Launch Pit	5,850 cy	499	6.80	39,775	24,740	11.03	64,515	0.02	Includes excavation of microtunneling launch pit.Transport backfilling quantity needed to stockpile for use later.	3.09	18,102	0.00	0	-	-	3.71	21,673	-	
					Backfilling of Pump Station Structure & Microtunneling Launch Pit	4,158 cy	665	12.49	51,923	32,202	20.23													

Water Supply Project
Detailed Cost Estimate (DCE) Report
WBS 1 / 2 / 3

18-043 Riverbend Water Resources District-Water Supply Project Rev4.pee

7/20/2018 5:50 AM

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
				85	Electrical																			
				Div 25	Integrated Automation																			
					Instrumentation & Control	1 ls		250,000.00	250,000	144,027	394,027.30	394,027	0.11		-	-	-	-	250,000.00	250,000	-	-	-	
					Div 25 Integrated Automation	1 ls		250,000.00	250,000	144,027	394,027.30	394,027	0.11					250,000.00	250,000					
				Div 26	Electrical																			
					Electrical	1 ls		2,500,000.00	2,500,000	1,440,273	3,940,273.02	3,940,273	1.08		0.00	0	0.00	0	2,500,000.00	2,500,000	0.00	0	-	
					Div 26 Electrical	1 ls		2,500,000.00	2,500,000	1,440,273	3,940,273.02	3,940,273	1.08						2,500,000.00	2,500,000				
					85 Electrical	1 ls		2,750,000.00	2,750,000	1,584,300	4,334,300.32	4,334,300	1.18						2,750,000.00	2,750,000				
				90	Process Equipment																			
				Div 46	Water and Wastewater Equipment																			
					600 hp - Variable Frequency Drives	4 ea	280	155,036.79	620,147	398,555	254,675.65	1,018,703	0.28		3,036.79	12,147	152,000.00	608,000	-	-	-	-	-	
					Vertical Turbine Pumps- 7000 gpm	4 ea	576	284,484.15	1,137,937	731,206	467,285.72	1,869,143	0.51	Per vendor quote.	6,211.63	24,847	500.00	2,000	-	-	2,772.52	11,090	275,000.00	1,100.00
					Div 46 Water and Wastewater Equipment	1 ls	856	1,758,083.75	1,758,084	1,129,762	2,887,845.46	2,887,845	0.79		36,993.69	36,994	610,000.00	610,000	-	-	11,090.06	11,090	1,100,000.00	1,100.00
					90 Process Equipment	1 ls	856	1,758,083.75	1,758,084	1,129,762	2,887,845.46	2,887,845	0.79		36,993.69	36,994	610,000.00	610,000			11,090.06	11,090	1,100,000.00	1,100.00
				95	Pump Discharge Piping																			
				Div 33	Utilities																			
					DI MJ Std Wgt 90 54	2 ea	29	9,576.44	19,153	12,265	15,708.85	31,418	0.01		653.85	1,308	8,684.55	17,369	-	-	238.04	476	-	
					DI MJ Std Wgt Tee 54x24	7 ea	152	9,732.40	68,127	43,520	15,949.59	111,647	0.03		982.35	6,876	8,478.00	59,346	-	-	272.05	1,904	-	
					DI MJ Std Wgt Cap 24	3 ea	11	738.13	2,214	1,403	1,205.64	3,617	0.00		159.28	478	499.50	1,499	-	-	79.35	238	-	
					DI MJ Std Wgt Cap 54	1 ea	8	10,292.47	10,292	6,606	16,898.70	16,899	0.00		380.47	380	9,912.00	9,912	-	-	-	-	-	
					Butterfly Valves MJ 24"	4 ea	52	6,578.42	26,314	16,824	10,784.34	43,137	0.01		589.68	2,359	5,929.23	23,717	-	-	59.51	238	-	
					Pressure Monitoring	1 ls	10	2,991.30	2,991	1,902	4,893.19	4,893	0.00		491.30	491	2,500.00	2,500	-	-	-	-	-	
					DI Flanged Joint Pipe 24"	32 lf	85	412.84	13,211	8,331	673.18	21,542	0.01		112.96	3,615	267.83	8,571	-	-	32.05	1,026	-	
					DI Flanged Joint Pipe 54"	34 lf	165	1,160.34	39,451	25,059	1,897.37	64,511	0.02		205.60	6,990	894.40	30,410	-	-	60.33	2,051	-	
					Pipe Supports	12 ea	58	385.06	4,621	2,858	623.25	7,479	0.00		203.06	2,437	182.00	2,184	-	-	-	-	-	
					Ball Valve 24" w/ motor operator	4 ea	160	36,756.31	147,025	94,305	60,332.63	241,331	0.07		1,692.20	6,769	35,000.00	140,000	-	-	64.11	256	-	
					Div 33 Utilities	1 ls	730	333,399.83	333,400	213,073	546,473.12	546,473	0.15		31,703.08	31,703	295,506.82	295,507			6,189.93	6,190		
					95 Pump Discharge Piping	1 ls	730	333,399.83	333,400	213,073	546,473.12	546,473	0.15		31,703.08	31,703	295,506.82	295,507			6,189.93	6,190		
					110 Intake Pump Capacity for 30 MGD	4 ea	1,586	1,210,370.90	4,841,484	2,927,135	1,942,154.73	7,768,619	2.12		17,174.19	68,697	226,376.70	905,507	687,500.00	2,750,000	4,320.00	17,280	275,000.00	1,100.00
	115				Raw Water Transmission Pipeline- 63 Inch, 60 MGD																			
				100	Open Cut Piping																			
				Div 31	Earthwork																			
					Selective Clearing & Grubbing	15 ac	640	3,187.06	47,806	29,585	5,159.39	77,391	0.02	30 ft wide.	1,660.86	24,913	-	-	-	-	1,526.20	22,893	-	
					Fine Grade Utility Easement	15 ac	48	201.01	3,015	1,848	324.22	4,863	0.00		129.51	1,943	-	-	-	-	71.49	1,072	-	
					Trench Excav & Backfill 10'- 12'	44,199 lf	21,216	38.25	1,690,644	1,049,487	62.00	2,740,131	0.75		18.40	813,209	-	-	-	-	19.85	877,435	-	
					Utility Bed Sand	16,370 cy		17.25	282,383	181,744	28.35	464,126	0.13		0.00	0	17.25	282,383	-	-	0.00	0	-	
					3500 psi Thrust Block Concrete- allowance	100 cy	75	138.37	13,837	8,773	226.10	22,610	0.01		27.99	2,799	110.38	11,038	-	-	-	-	-	
					Silt Fence/Erosion Control Measures	44,199 lf		5.00	220,995	127,317	7.88	348,312	0.10				0.00	0	5.00	220,995	-	-	-	
					Div 31 Earthwork	1 ls	21,979	2,258,679.69	2,258,680	1,398,754	3,657,433.53	3,657,434	1.00		842,863.60	842,864	293,420.63	293,421	220,995.00	220,995	901,400.46	901,400		
				Div 32	Exterior Improvements																			
					Asphalt Patching/Street Restoration	312 sy		50.00	15,600	8,987	78.81	24,587	0.01	10 repairs, average 20 ft long.	-	-	-	-	50.00	15,600	-	-	-	
					Saw Cut Asphalt in Street Before Trench Excavation	2,400 inft		0.85	2,040	1,175	1.34	3,215	0.00		-	-	-	-	0.85	2,040	-	-	-	
					Hydroseeding/ROW Restoration	31 ac		3,000.00	93,000	53,578	4,728.33	146,578	0.04		-	-	-	-	3,000.00	93,000	-	-	-	
					Div 32 Exterior Improvements	1 ls		110,640.00	110,640	63,741	174,380.75	174,381	0.05						110,640.00	110,640				
				Div 33	Utilities																			
					2" Air Release/Vaccum Valve	8 ea	10	1,554.34	12,435	7,982	2,552.14	20,417	0.01		54.34	435	1,500.00	12,000	-	-	-	-	-	
					Unload & Shake Out HDPE Pipe	44,199 lf	1,537	2.77	122,213	75,817	4.48	198,031	0.05		1.35	59,797	0.00	0	-	-	1.41	62,417	-	
					Hydrostatic Testing - 48-60"	44,199 lf	3,713	3.98	175,978	105,595	6.37	281,573	0.08		3.65	161,392	0.33	14,586	-	-	-	-	-	
					Precast Vaults	1 ea	56	12,373.40	12,373	7,859	20,232.89	20,233	0.01		2,192.72	2,193	7,500.00	7,500	-	-	2,680.68	2,681	-	
					Butterfly Valves MJ 60" w/ valve box	8 ea	240	37,988.63	303,909	195,033	62,367.75	498,942	0.14		1,488.63	11,909	36,500.00	292,000	-	-	-	-	-	
					Pressure Monitoring	1 ls	10	2,991.30	2,991	1,902	4,893.16	4,893	0.00		491.30	491	2,500.00	2,500	-	-	-	-	-	
					HDPE Pressure Pipe- DR21, 56.6" ID	44,199 lf	22,100	375.34	16,589,727	10,625,213	615.74	27,214,939	7.43	Includes fusion machine.	24.81	1,096,596	349.40	15,443,131	-	-	1.13	50,000	-	
					Div 33 Utilities	1 ls	402	17,219,626.48	17,219,626	11,019,402	28,239,028.02	28,239,028	7.71		1,332,812.86	1,332,813	15,771,716.27	15,771,716			115,097.35	115,097		
					100 Open Cut Piping	1 ls	49,644	19,588,946.17	19,588,946	12,481,896	32,070,842.30	32,070,842	8.75		2,175,676.46	2,175,676	16,065,136.90	16,065,137	331,635.00	331,635	1,016,497.81	1,016,498		
				105	Jack & Bore at RR and Street Crossings																			
				Div 31	Earthwork																			
					Structure Pile & Lag 14'deep	6,328 sf	1,392	18.87	119,403	74,445	30.63	193,849	0.05		8.00	50,611	7.50	47,460	-	-	3.37	21,333	-	
					Div 31 Earthwork	1 ls	1,392	119,403.42	119,403	74,445	193,848.54	193,849	0.05		50,610.70	50,611	47,460.00	47,460			21,332.72	21,333		
				Div 33	Utilities																			
					Mobilization - Jack & Bore	2 ea		2,000.00	4,000	2,304	3,152.22	6,304	0.00		-	-	-	-	2,000.00	4,000	-	-	-	
					Jacking Pits- excavate & restore	4 ea	480	7,832.17	31,329	19,266	12,648.57	50,594	0.01		4,725.50	18,902	-	-	0.00	0	3,106.67	12,427	-	
					84" diameter casing, roadway/railway, 0.500" thick	250 lf		2,337.72	584,430	336,696	3,684.50	921,126	0.25	One crossing @ 100 ft. + one crossing @ 150 ft.	-	-	-	-	2,337.72	584,430	-	-	-	
					Div 33 Utilities	1 ls	480	619,758.68	619,759	358,266	978,024.20	978,024	0.27		18,902.00	18,902			588,430.00	588,430	12,426.68	12,427		
					105 Jack & Bore at RR and Street Crossings	250 lf	1,872	2,956.65	739,162	432,711	4,687.49	1,171,873	0.32	Carrier pipe material costs included with open cut pipe length.	278.05	69,513	189.84	47,4						

Packet Pg. 578

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.	
				115	Storage Tank Sites																				
				Div 03	Concrete																				
					Tank Foundation	20 cy	100	504.49	10,090	6,358	822.40	16,448	0.00		128.72	2,574	315.79	6,316	10.00	200	49.98	1,000	-		
					Div 03 Concrete	20 cy	100	504.49	10,090	6,358	822.40	16,448	0.00		128.72	2,574	315.79	6,316	10.00	200	49.98	1,000	-		
				Div 26	Electrical																				
					Misc. Electrical, Lighting, etc.	1 ls		25,000.00	25,000	14,403	39,402.75	39,403	0.01						25,000.00	25,000			-		
					Div 26 Electrical	1 ls		25,000.00	25,000	14,403	39,402.75	39,403	0.01						25,000.00	25,000			-		
				Div 31	Earthwork																				
					Selective Clearing & Grubbing	1 ac	64	4,780.58	4,781	2,958	7,739.05	7,739	0.00	30 ft wide.	2,491.27	2,491	-	-	-	-	2,289.31	2,289	-		
					Excavate & Grade for Tank	1 ls	48	3,686.65	3,687	2,282	5,968.58	5,969	0.00		1,912.66	1,913	-	-	-	-	1,773.99	1,774	-		
					Div 31 Earthwork	1 ls	112	8,467.23	8,467	5,240	13,707.63	13,708	0.00		4,403.93	4,404					4,063.30	4,063	-		
				Div 32	Exterior Improvements																				
					Misc. Site Improvements	1 ls		5,000.00	5,000	2,881	7,880.54	7,881	0.00	Stone driveway, fencing.	-	-	-	-	5,000.00	5,000	-	-	-	-	
					Hydroseeding/Restoration	1 ac		3,000.00	3,000	1,728	4,728.35	4,728	0.00		-	-	-	-	3,000.00	3,000	-	-	-	-	
					Div 32 Exterior Improvements	1 ls		8,000.00	8,000	4,609	12,608.89	12,609	0.00						8,000.00	8,000					
				Div 33	Utilities																				
					Elevated Steel Water Storage Tank- 53,000 gal	1 ea		200,000.00	200,000	115,222	315,221.84	315,222	0.09		-	-	-	-	200,000.00	200,000	-	-	-	-	
					18" Altitude Valve	1 ea	12	20,536.87	20,537	13,192	33,729.07	33,729	0.01		536.87	537	20,000.00	20,000	-	-	-	-	-	-	
					Div 33 Utilities	1 ls	12	220,536.87	220,537	128,414	348,950.91	348,951	0.10		536.87	537	20,000.00	20,000	200,000.00	200,000					
					115 Storage Tank Sites	1 ls	224	272,093.92	272,094	159,024	431,118.11	431,118	0.12		7,515.15	7,515	26,315.79	26,316	233,200.00	233,200	5,062.98	5,063			
					140 Redwater Elevated Tank (53,000 gal.)	1 ls	224	272,093.92	272,094	159,024	431,118.11	431,118	0.12		7,515.15	7,515	26,315.79	26,316	233,200.00	233,200	5,062.98	5,063			
					30 Distribution Pipelines	9,485 lf	46,555	848.64	8,049,381	4,979,352	1,373.61	13,028,734	3.56		213.16	2,021,795	366.70	3,478,162	164.42	1,559,530	104.36	989,895			
					01 Alternate 3A Modified- Phase 1A	1 LS	110,250	52,899,521.04	52,899,521	32,248,531	85,148,052.38	85,148,052	23.24		4,698,802.04	4,698,802	21,289,251.53	21,289,252	23,331,768.55	23,331,769	2,329,698.92	2,329,699	1,250,000.00	1,250,000	
02					Alternate 3A Modified- Phase 1B																				
	20				Water Treatment Plant																				
					Administration/Maintenenace Building																				
																						</			

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
					Div 03 Concrete	4,239 cy	24,603	530.73	2,249,783	1,415,035	864.55	3,664,818	1.00		149.41	633,367	315.79	1,338,632	10.00	42,390	55.53	235,394		
				Div 05	Metals																			
					Aluminum 2 Line Rail	2,300 lf	460	36.96	85,008	53,829	60.36	138,837	0.04		8.09	18,596	28.88	66,413	-	-	-	-	-	-
					Div 05 Metals	1 ls	460	85,008.15	85,008	53,829	138,836.89	138,837	0.04		18,595.65	18,596	66,412.50	66,413						
				Div 31	Earthwork																			
					Excavation of Structure	25,684 cy	1,644	5.74	147,352	92,006	9.32	239,358	0.07		2.32	59,608			-	-	3.42	87,745	-	
					Backfilling of Structure	4,822 cy	386	5.80	27,966	17,245	9.38	45,211	0.01		3.29	15,869			-	-	2.51	12,096	-	
					Prep & Rough Grade for Slabs	27,379 sf	44	0.09	2,566	1,565	0.15	4,131	0.00		0.07	1,817	-	-	-	-	0.03	749	-	
					Excess Soils Disposal- Beneficial Reuse	20,862 cy		2.50	52,155	30,047	3.94	82,202	0.02						2.50	52,155			-	
					Stone Base Under All Structures	507 cy	16	38.46	19,497	12,517	63.15	32,015	0.01		1.30	657	36.00	18,252	-	-	1.16	589	-	
					Div 31 Earthwork	1 ls	2,090	249,535.98	249,536	153,381	402,916.54	402,917	0.11		77,950.13	77,950	18,252.00	18,252	52,155.00	52,155	101,178.85	101,179		
				Div 33	Utilities																			
					DI Pipe Push - Class 52 8	800 lf	200	35.94	28,751	18,033	58.48	46,785	0.01		12.41	9,924	23.53	18,827	-	-	-	-	-	-
					DI RJ Std Wgt 90 8	10 ea	28	427.28	4,273	2,684	695.64	6,956	0.00		139.78	1,398	287.50	2,875	-	-	-	-	-	-
					Hydrostatic Testing - 2-12"	800 lf	19	1.13	900	540	1.80	1,440	0.00		1.04	835	0.08	66	-	-	-	-	-	-
					Div 33 Utilities	1 ls	247	33,924.42	33,924	21,257	55,181.04	55,181	0.02		12,156.62	12,157	21,767.80	21,768						
				Div 46	Water and Wastewater Equipment																			
					Thickened Sludge Pump- Progressive Cavity Pump- 250 gpm	2 ea	48	35,973.93	71,948	46,214	59,080.84	118,162	0.03		973.94	1,948			-	-	-	-	35,000.00	70,000.00
					Sludge Pumps- Horizontal End Suction Pumps- 300 gpm	6 ea	144	19,497.36	116,984	74,997	31,996.87	191,981	0.05		1,035.28	6,212			-	-	462.09	2,773	18,000.00	108,000.00
					Weir Plate Fiberglass- 42 ft. 3 ea.	126 lf	118	106.70	13,444	8,417	173.50	21,861	0.01		39.49	4,975	50.00	6,300	-	-	17.22	2,169	-	
					Vertical Shaft Flocculators- 1.5 hp, SS	27 ea	1,512	37,735.38	1,018,855	652,706	61,909.68	1,671,561	0.46		2,369.10	63,966	-	-	-	-	1,032.95	27,890	34,333.33	927,000.00
					Chain and Flights Clarifier- 150 ft x 20 ft	6 ea	1,680	67,880.56	407,283	258,755	111,006.45	666,039	0.18		11,845.50	71,073	-	-	-	-	5,164.73	30,988	50,870.33	305,220.00
					Div 46 Water and Wastewater Equipment	1 ls	3,502	1,628,514.91	1,628,515	1,041,089	2,669,603.86	2,669,604	0.73		148,173.34	148,173	6,300.00	6,300			63,819.57	63,820	1,410,222.00	1,410,222.00
					205 Flocculation/Sedimentation	1 ls	30,902	4,246,766.36	4,246,766	2,684,590	6,931,355.96	6,931,356	1.89		890,242.65	890,243	1,451,363.88	1,451,364	94,545.00	94,545	400,392.83	400,393	1,410,222.00	1,410,222.00
				210	Ozone Contactor																			
				Div 03	Concrete																			
					Base Slabs	201 cy	1,005	504.49	101,403	63,899	822.40	165,302	0.05		128.72	25,872	315.79	63,474	10.00	2,010	49.98	10,047	-	
					Walls	383 cy	2,681	571.67	218,951	137,382	930.37	356,333	0.10		180.20	69,018	315.79	120,947	10.00	3,830	65.68	25,155	-	
					Suspended Slabs	124 cy	868	555.98	68,941	43,226	112,167	180.20	0.03		180.20	22,345	315.79	39,158	10.00	1,240	49.98	6,198	-	
					Div 03 Concrete	708 cy	4,554	549.85	389,295	244,507	895.20	633,802	0.17		165.59	117,236	315.79	223,579	10.00	7,080	58.48	41,400		
				Div 31	Earthwork																			
					Excavation of Structure	3,843 cy	246	5.74	22,048	13,766	9.32	35,814	0.01		2.32	8,919			-	-	3.42	13,129	-	
					Backfilling of Structure	1,790 cy	143	5.80	10,381	6,402	9.38	16,783	0.00		3.29	5,891			-	-	2.51	4,490	-	
					Prep & Rough Grade for Slabs	2,704 sf	4	0.09	253	155	0.15	408	0.00		0.07	179	-	-	-	-	0.03	74	-	
					Excess Soils Disposal- Beneficial Reuse	2,053 cy		2.50	5,133	2,957	3.94	8,089	0.00						2.50	5,133			-	
					Stone Base Under All Structures	50 cy	2	38.46	1,923	1,234	63.15	3,157	0.00		1.30	65	36.00	1,800	-	-	1.16	58	-	
					Div 31 Earthwork	1 ls	395	39,737.76	39,738	24,514	64,251.85	64,252	0.02		15,053.95	15,054	1,800.00	1,800	5,132.50	5,133	17,751.31	17,751		
				Div 46	Water and Wastewater Equipment																			

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
					Div 03 Concrete	3,980 cy	19,900	504.49	2,007,875	1,265,266	822.40	3,273,141	0.89		128.72	512,295	315.79	1,256,842	10.00	39,800	49.98	198,937		
				Div 31	Earthwork																			
					Excavate & Grade for Tank	1 ls	144	11,061.07	11,061	6,846	17,907.50	17,908	0.00		5,738.56	5,739	-	-	-	-	5,322.51	5,323	-	
					Div 31 Earthwork	1 ls	144	11,061.07	11,061	6,846	17,907.50	17,908	0.00		5,738.56	5,739					5,322.51	5,323		
				Div 33	Utilities																			
					Prestressed Concrete Water Storage Tank - 10,075,000 gal.	2 ea		3,900,000.00	7,800,000	4,493,652	6,146,825.90	12,293,652	3.36		-	-	-	-	3,900,000.00	7,800,000	-	-	-	
					Div 33 Utilities	1 ls		7,800,000.00	7,800,000	4,493,652	12,293,651.81	12,293,652	3.36						7,800,000.00	7,800,000				
					115 Storage Tank Sites	1 ls	20,044	9,818,935.79	9,818,936	5,765,764	15,584,700.16	15,584,700	4.25		518,033.87	518,034	1,256,842.11	1,256,842	7,839,800.00	7,839,800	204,259.81	204,260		
					210 Clear Wells	2 ea	20,044	4,909,467.89	9,818,936	5,765,764	7,792,350.08	15,584,700	4.25		259,016.94	518,034	628,421.06	1,256,842	3,919,900.00	7,839,800	102,129.91	204,260		
		215			High Service Pump Station																			
				* unassigned *																				
				Div 03	Concrete																			
					Canopy Slab/Foundation	197 cy	985	504.49	99,385	62,627	822.40	162,012	0.04		128.72	25,357	315.79	62,211	10.00	1,970	49.98	9,847	-	
					Pump Can Encasement	230 cy	1,610	571.67	131,485	82,501	930.37	213,986	0.06		180.20	41,447	315.79	72,632	10.00	2,300	65.68	15,106	-	
					Div 03 Concrete	427 cy	2,595	540.68	230,870	145,128	880.56	375,998	0.10		156.45	66,804	315.79	134,842	10.00	4,270	58.44	24,953		
				Div 13	Special Construction																			
					Pre-Engineered Metal Canopy- 50'x100'	5,000 sf		20.00	100,000	57,611	31.52	157,611	0.04		-	-	-	-	20.00	100,000	-	-	-	
					Div 13 Special Construction	1 ls		100,000.00	100,000	57,611	157,610.90	157,611	0.04						100,000.00	100,000				
				Div 31	Earthwork																			
					Excavation for Pump Cans/Encasement	576 cy	37	5.74	3,305	2,063	9.32	5,368	0.00		2.32	1,337	0.00	0	-	-	3.42	1,968	-	
					Backfilling of Pump Cans/Encasement	309 cy	25	5.80	1,792	1,105	9.38	2,897	0.00		3.29	1,017	0.00	0	-	-	2.51	775	-	
					Excess Soils Disposal- Beneficial Reuse	267 cy		2.50	668	385	3.94	1,052	0.00		0.00	0	0.00	0	2.50	668	0.00	0	-	
					Excavate & Grade for Canopy Slab/Foundation	1 ls	96	7,373.31	7,373	4,564	11,937.14	11,937	0.00		3,825.32	3,825	-	-	-	-	3,547.99	3,548	-	
					Div 31 Earthwork	1 ls	158	13,137.45	13,137	8,117	21,254.28	21,254	0.01		6,179.02	6,179			667.50	668	6,290.93	6,291		
				Div 33	Utilities																			
					2" Air Release/Vaccum Valve	1 ea	1	1,554.34	1,554	998	2,552.14	2,552	0.00		54.34	54	1,500.00	1,500	-	-	-	-	-	
					DI MJ Std Wgt 90 60	3 ea	48	13,043.39	39,130	25,081	21,403.72	64,211	0.02		726.59	2,180	12,158.10	36,474	-	-	158.69	476	-	
					DI MJ Std Wgt Tee 60x24	5 ea	121	12,345.55	61,728	39,469	20,239.42	101,197	0.03		1,091.25	5,456	10,982.25	54,911	-	-	272.05	1,360	-	
					DI MJ Std Wgt Red 60x24	4 ea	64	6,122.21	24,489	15,623	10,027.97	40,112	0.01		727.50	2,910	5,335.20	21,341	-	-	59.51	238	-	
					DI MJ Std Wgt Cap 24	1 ea	4	658.78	659	416	1,075.21	1,075	0.00		159.28	159	499.50	500	-	-	-	-	-	
					DI MJ Std Wgt Cap 60	1 ea	9	13,006.94	13,007	8,351	21,358.24	21,358	0.01		422.94	423	12,584.00	12,584	-	-	-	-	-	
					Hydrostatic Testing - 48-60"	100 lf	8	3.98	398	239	6.37	637	0.00		3.65	365	0.33	33	-	-	-	-	-	
					Precast Vaults	1 ea	56	12,373.40	12,373	7,859	20,232.87	20,233	0.01		2,192.72	2,193	7,500.00	7,500	-	-	2,680.68	2,681	-	
					Butterfly Valves MJ 24"	4 ea	52	6,578.42	26,314	16,824	10,784.34	43,137	0.01		589.68	2,359	5,929.23	23,717	-	-	59.51	238	-	
					Butterfly Valves MJ 60"	2 ea	60	38,093.63	76,187	48,906	62,546.67	125,093	0.03		1,355.59	2,711	36,500.00	73,000	-	-	238.04	476	-	
					Pressure Monitoring	1 ls	10	2,991.30	2,991	1,902	4,893.21	4,893	0.00		491.30	491	2,500.00	2,500	-	-	-	-	-	
					Magnetic Flow Meter 60"	1 ea	67	93,518.32	93,518	60,045	153,563.02	153,563	0.04		3,042.24	3,042	90,000.00	90,000	-	-	476.08	476	0.00	
					DI Flanged Joint Pipe 24"	40 lf	107	412.84	16,514	10,414	673.18	26,927	0.01		112.96	4,518	267.83	10,713	-	-	32.05	1,282	-	

Water Supply Project
Detailed Cost Estimate (DCE) Report
WBS 1 / 2 / 3

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
					220 30 Inch Line Repair/Replace-Riverbend Tie-in to New Boston Rd	49,361 If	34,710	205.99	10,167,727	6,436,171	336.38	16,603,897	4.53	Based onreplacing 75% of existing line.	31.10	1,535,191	151.86	7,495,896	10.49	517,779	12.54	618,861		
		221			TAC to Maud																			
			100		Open Cut Piping																			
				Div 31	Earthwork																			
					Trench Excav & Backfill 4- 8'	54,387 If	15,663	22.95	1,248,206	774,838	37.20	2,023,043	0.55		11.04	600,394	-	-	-	-	11.91	647,812	-	
					Utility Bed Sand	16,114 cy		17.25	277,967	178,902	28.35	456,868	0.12		0.00	0	17.25	277,967	-	-	0.00	0	-	
					3500 psi Thrust Block Concrete	100 cy	75	138.37	13,837	8,773	226.10	22,610	0.01		27.99	2,799	110.38	11,038	-	-	-	-	-	
					Silt Fence/Erosion Control Measures	54,387 If		5.00	271,935	156,664	7.88	428,599	0.12		0.00	0	0.00	0	5.00	271,935	0.00	0	-	
					Div 31 Earthwork	1 Is	15,738	1,811,944.12	1,811,944	1,119,177	2,931,120.76	2,931,121	0.80		603,192.67	603,193	289,004.63	289,005	271,935.00	271,935	647,811.82	647,812		
				Div 32	Exterior Improvements																			
					Asphalt Patching/Street Restoration	54 sy		50.00	2,700	1,556	78.81	4,256	0.00	6 repairs, average 20 ft long.	-	-	-	-	50.00	2,700	-	-	-	
					Saw Cut Asphalt in Street Before Trench Excavation	1,440 inft		0.85	1,224	705	1.34	1,929	0.00		-	-	-	-	0.85	1,224	-	-	-	
					Hydroseeding/ROW Restoration	21 ac		3,000.00	63,000	36,295	4,728.33	99,295	0.03		-	-	-	-	3,000.00	63,000	-	-	-	
					Div 32 Exterior Improvements	1 Is		66,924.00	66,924	38,556	105,479.54	105,480	0.03						66,924.00	66,924				
				Div 33	Utilities																			
					2" Air Release/Vacuum Valve	10 ea	13	1,554.34	15,543	9,978	2,552.14	25,521	0.01		54.34	543	1,500.00	15,000	-	-	-	-	-	
					DI Pipe Push - Class 52 10'	54,387 If	15,228	50.27	2,733,971	1,723,716	81.96	4,457,687	1.22		13.89	755,644	36.38	1,978,327	-	-	-	-	-	
					DI RJ Std Wgt Fittings 10"- allowance	105 ea	373	936.40	98,322	62,401	1,530.70	160,723	0.04		176.40	18,522	760.00	79,800	-	-	-	-	-	
					Unload & Shake Out DIP	54,387 If	1,892	2.77	150,384	93,293	4.48	243,677	0.07		1.35	73,580	0.00	0	-	-	1.41	76,804	-	
					Hydrostatic Testing - 2-12"	54,387 If	1,305	1.13	61,201	36,694	1.80	97,895	0.03		1.04	56,741	0.08	4,460	-	-	-	-	-	
					Chlorination	54,387 If		0.10	5,439	3,500	0.16	8,939	0.00		0.00	0	0.10	5,439	-	-	-	-	-	
					Precast Vaults	1 ea	56	9,873.40	9,873	6,250	16,123.88	16,124	0.00		2,192.72	2,193	5,000.00	5,000	-	-	2,680.68	2,681	-	
					Butterfly Valves MJ 10" w/ valve box	10 ea	40	1,453.42	14,534	9,261	2,379.52	23,795	0.01		196.50	1,965	1,256.92	12,569	-	-	-	-	-	
					Pressure Monitoring	1 Is	10	2,991.30	2,991	1,902	4,893.18	4,893	0.00		491.30	491	2,500.00	2,500	-	-	-	-	-	
					Div 33 Utilities	1 Is	18,917	3,092,259.32	3,092,259	1,946,997	5,039,256.10	5,039,256	1.38		909,679.98	909,680	2,103,094.76	2,103,095			79,484.58	79,485		
					100 Open Cut Piping	1 Is	34,655	4,971,127.44	4,971,127	3,104,729	8,075,856.40	8,075,856	2.20		1,512,872.65	1,512,873	2,392,099.39	2,392,099	338,859.00	338,859	727,296.40	727,296		
				105	Jack & Bore at RR and Street Crossings																			
				Div 33	Utilities																			
					Mobilization - Jack & Bore	1 ea		2,000.00	2,000	1,152	3,152.24	3,152	0.00		-	-	-	-	2,000.00	2,000	-	-	-	
					Jacking Pits- excavate & restore	2 ea	80	2,610.72	5,221	3,211	4,216.18	8,432	0.00		1,575.17	3,150	-	-	-	-	1,035.56	2,071	-	
					22" diameter casing, Roadway, .250" thick for 10" carrier pipe	100 If		632.50	63,250	36,439	996.89	99,689	0.03	One crossing @150 ft.	-	-	-	-	632.50	63,250	-	-	-	
					Div 33 Utilities		80		70,471	40,802		111,274	0.03			3,150				65,250		2,071		
					105 Jack & Bore at RR and Street Crossings		80		70,471	40,802		111,274	0.03	Carrier pipe material costs included with open cut pipe length.			3,150			65,250		2,071		
				106	Jack & Bore at Creek and Drainage Ditch Crossings																			
				Div 33	Utilities																			
					Mobilization - Jack & Bore	3 ea		2,000.00	6,000	3,457	3,152.22	9,457	0.00		-	-	-	-	2,000.00	6,000	-	-	-	
					Jacking Pits- excavate & restore	6 ea	240	2,610.72	15,664	9,633	4,216.18	25,297	0.01		1,575.17	9,451	-	-	-	-	1,035.56	6,213	-	
					22" diameter casing, Roadway, .250" thick for 10" carrier pipe	300 If		632.50	189,750	109,317	996.89	299,067	0.08	One crossing @150 ft.	-	-	-	-	632.50	189,750	-	-	-	
					Div 33 Utilities	1 Is	240	211,414.34	211,414	122,406	333,820.49	333,820	0.09		9,451.00	9,451			195,750.00	195,750	6,213.34	6,213		

Water Supply Project
Detailed Cost Estimate (DCE) Report
WBS 1 /2 /3

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
				Div 31	Earthwork																			
					Utility Bed Sand	6,600 cy		17.25	113,850	73,275	28.35	187,125	0.05		0.00	0	17.25	113,850	-	-	0.00	0	-	-
					3500 psi Thrust Block Concrete	100 cy	75	138.37	13,837	8,773	226.10	22,610	0.01		27.99	2,799	110.38	11,038	-	-	-	-	-	-
					Silt Fence/Erosion Control Measures	22,276 lf		5.00	111,380	64,167	7.88	175,547	0.05		0.00	0	0.00	0	5.00	111,380	0.00	0	-	-
					Div 31 Earthwork	1 ls	8,094	878,122.07	878,122	542,915	1,421,037.43	1,421,037	0.39		310,187.91	310,188	124,888.13	124,888	111,380.00	111,380	331,666.03	331,666		
				Div 32	Exterior Improvements																			
					Asphalt Patching/Street Restoration	139 sy		50.00	6,950	4,004	78.81	10,954	0.00	5 repairs, average 25 ft long.	-	-	-	-	50.00	6,950	-	-	-	-
					Saw Cut Asphalt in Street Before Trench Excavation	1,500 inft		0.85	1,275	735	1.34	2,010	0.00		-	-	-	-	0.85	1,275	-	-	-	-
					Hydroseeding/ROW Restoration	10 ac		3,000.00	30,000	17,283	4,728.33	47,283	0.01		-	-	-	-	3,000.00	30,000	-	-	-	-
					Div 32 Exterior Improvements	1 ls		38,225.00	38,225	22,022	60,246.78	60,247	0.02						38,225.00	38,225				
				Div 33	Utilities																			
					2" Air Release/Vaccum Valve	5 ea	6	1,554.34	7,772	4,989	2,552.14	12,761	0.00		54.34	272	1,500.00	7,500	-	-	-	-	-	-
					DI Pipe Push - Class 52 30	22,276 lf	9,801	168.01	3,742,639	2,385,695	275.11	6,128,334	1.67		21.83	486,356	146.18	3,256,283	-	-	-	-	-	-
					DI RJ Std Wgt Fittings 30- allowance	45 ea	349	5,904.96	265,723	170,199	9,687.16	435,922	0.12		384.96	17,323	5,520.00	248,400	-	-	-	-	-	-
					Unload & Shake Out DIP	22,276 lf	775	2.77	61,595	38,211	4.48	99,806	0.03		1.35	30,137	0.00	0	-	-	1.41	31,458	-	-
					Hydrostatic Testing - 26-36"	22,276 lf	1,381	2.92	64,938	38,943	4.66	103,881	0.03		2.70	60,037	0.22	4,901	-	-	-	-	-	-
					Chlorination	22,276 lf		0.10	2,228	1,434	0.16	3,661	0.00		0.00	0	0.10	2,228	-	-	-	-	-	-
					Precast Vaults	1 ea	56	12,373.40	12,373	7,859	20,232.88	20,233	0.01		2,192.72	2,193	7,500.00	7,500	-	-	2,680.68	2,681	-	-
					Butterfly Valves MJ 30" w/ valve box	5 ea	81	12,759.69	63,798	40,870	20,933.67	104,668	0.03		805.84	4,029	11,953.85	59,769	-	-	-	-	-	-
					Pressure Monitoring	1 ls	10	2,991.30	2,991	1,902	4,893.18	4,893	0.00		491.30	491	2,500.00	2,500	-	-	-	-	-	-
					Div 33 Utilities	1 ls	12,460	4,224,057.22	4,224,057	2,690,102	6,914,159.52	6,914,160	1.89		600,838.19	600,838	3,589,080.76	3,589,081			34,138.27	34,138		
					100 Open Cut Piping	1 ls	20,554	5,140,404.29	5,140,404	3,255,039	8,395,443.73	8,395,444	2.29		911,026.10	911,026	3,713,968.89	3,713,969	149,605.00	149,605	365,804.30	365,804		
				105	Jack & Bore at RR and Street Crossings																			
				Div 33	Utilities																			
					Mobilization - Jack & Bore	3 ea		2,000.00	6,000	3,457	3,152.22	9,457	0.00		-	-	-	-	2,000.00	6,000	-	-	-	-
					Jacking Pits- excavate & restore	6 ea	240	2,610.72	15,664	9,633	4,216.19	25,297	0.01		1,575.17	9,451	-	-	-	-	1,035.56	6,213	-	-
					48" diameter casing, Roadway, .344" thick for 30" carrier pipe	1,000 lf		810.24	810,240	466,787	1,277.03	1,277,027	0.35	Length - up to ~500 ft.	-	-	-	-	810.24	810,240	-	-	-	-
					Div 33 Utilities	1 ls	240	831,904.34	831,904	479,876	1,311,780.51	1,311,781	0.36		9,451.00	9,451			816,240.00	816,240	6,213.34	6,213		
					105 Jack & Bore at RR and Street Crossings	1,000 lf	240	831.90	831,904	479,876	1,311.78	1,311,781	0.36	Carrier pipe material costs included with open cut pipe length.	9.45	9,451			816.24	816,240	6.21	6,213		
				106	Jack & Bore at Creek and Drainage Ditch Crossings																			
				Div 33	Utilities																			
					Mobilization - Jack & Bore	14 ea		2,000.00	28,000	16,131	3,152.22	44,131	0.01		-	-	-	-	2,000.00	28,000	-	-	-	-
					Jacking Pits- excavate & restore	28 ea	1,120	2,610.72	73,100	44,953	4,216.19	118,053	0.03		1,575.17	44,105	-	-	-	-	1,035.56	28,996	-	-
					48" diameter casing, Roadway, .344" thick for 30" carrier pipe	1,000 lf		810.24	810,240	466,787	1,277.03	1,277,027	0.35	Length - up to ~500 ft.	-	-	-	-	810.24	810,240	-	-	-	-
					Div 33 Utilities	1 ls	1,120	911,340.26	911,340	527,871	1,439,211.08	1,439,211	0.39		44,104.66	44,105			838,240.00	838,240	28,995.60	28,996		
					106 Jack & Bore at Creek and Drainage Ditch Crossings	1,400 lf	1,120	650.96	911,340	527,871	1,028.01	1,439,211	0.39	Carrier pipe material costs included with open cut pipe length.	31.50	44,105			598.74	838,240	20.71	28,996		
					223 Riverbend Tie-in to TAC	22,276 lf	21,914	309.02	6,883,649	4,262,786	500.38	11,146,435	3.04		43.30	964,582	166.73	3,713,969	80.99	1,804,085	18.00	401,013		
		225			City of New Boston Storage/Booster Pump Station																			

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
				Div 31	Earthwork																			
					Excavate & Grade for Tank	1 ls	96	7,373.31	7,373	4,564	11,937.11	11,937	0.00		3,825.32	3,825	-	-	-	-	3,547.99	3,548	-	
					Div 31 Earthwork	1 ls	96	7,373.31	7,373	4,564	11,937.11	11,937	0.00		3,825.32	3,825					3,547.99	3,548		
				Div 32	Exterior Improvements																			
					Misc. Site Improvements	1 ls		10,000.00	10,000	5,761	15,761.10	15,761	0.00	Stone driveway, fencing.	-	-	-	-	10,000.00	10,000	-	-	-	-
					Hydroseeding/Restoration	1 ac		3,000.00	3,000	1,728	4,728.34	4,728	0.00		-	-	-	-	3,000.00	3,000	-	-	-	-
					Div 32 Exterior Improvements	1 ls		13,000.00	13,000	7,489	20,489.44	20,489	0.01		-	-	-	-	13,000.00	13,000				
				Div 33	Utilities																			
					DI MJ Std Wqt Fittings 14"	8 ea	39	571.80	4,574	2,865	929.96	7,440	0.00		207.30	1,658	364.50	2,916	-	-	-	-	-	-
					Precast Vaults	1 ea	56	8,373.40	8,373	5,285	13,658.43	13,658	0.00		2,192.72	2,193	3,500.00	3,500	-	-	2,680.68	2,681	-	-
					Butterfly Valves MJ 14"	4 ea	24	2,490.90	9,964	6,364	4,081.93	16,328	0.00		255.52	1,022	2,235.38	8,942	-	-	-	-	-	-
					Prestressed Concrete Water Storage Tank - 200,000 gal.	1 ea		265,000.00	265,000	152,669	417,668.92	417,669	0.11		-	-	-	-	265,000.00	265,000				
					Magnetic Flow Meter 14"	1 ea	26	8,901.25	8,901	5,674	14,574.93	14,575	0.00		1,163.21	1,163	7,500.00	7,500	-	-	238.04	238	-	-
					DI Flanged Joint Pipe 14"	16 lf	33	224.90	3,598	2,250	365.53	5,848	0.00		86.73	1,388	138.18	2,211	-	-	-	-	-	-
					Pipe Supports	10 ea	36	280.01	2,800	1,729	452.91	4,529	0.00		153.99	1,540	126.02	1,260	-	-	-	-	-	-
					Ball Valve 14" w/ motor operator	2 ea	48	16,079.43	32,159	20,601	26,380.08	52,760	0.01		1,015.32	2,031	15,000.00	30,000	-	-	64.11	128	-	-
					Div 33 Utilities	1 ls	262	335,369.99	335,370	197,437	532,807.46	532,807	0.15		10,994.53	10,995	56,328.53	56,329	265,000.00	265,000	3,046.93	3,047		
				Div 46	Water and Wastewater Equipment																			
					80 hp - Variable Frequency Drives	2 ea	71	18,949.37	37,899	24,245	31,071.76	62,144	0.02		1,549.37	3,099	17,400.00	34,800	-	-	-	-	-	-
					Horizontal Split Case Booster Pumps- 3000 gpm	2 ea	40	51,324.82	102,650	65,984	84,316.96	168,634	0.05		862.73	1,725			-	-	462.09	924	50,000.00	100,000
					Div 46 Water and Wastewater Equipment	1 ls	111	140,548.37	140,548	90,229	230,777.45	230,777	0.06		4,824.20	4,824	34,800.00	34,800			924.17	924	100,000.00	100,000
					115 Storage Tank Sites	1 ls	1,085	593,344.07	593,344	358,986	952,330.13	952,330	0.26		35,476.29	35,476	129,970.63	129,971	314,230.00	314,230	13,667.15	13,667	100,000.00	100,000
					230 TAC Storage/Booster Pump Station	1 ls	1,085	593,344.07	593,344	358,986	952,330.13	952,330	0.26		35,476.29	35,476	129,970.63	129,971	314,230.00	314,230	13,667.15	13,667	100,000.00	100,000
					30 Distribution Pipelines	155,468 lf	123,136	199.19	30,967,797	19,328,545	323.52	50,296,342	13.73		34.58	5,376,602	115.05	17,886,160	33.09	5,144,077	15.19	2,360,958	1.29	200.00
					02 Alternate 3A Modified- Phase 1B	1 LS	218,758	63,330,951.09	63,330,951	39,106,000	102,436,950.59	102,436,951	27.96		8,232,110.89	8,232,111	23,718,447.56	23,718,448	18,716,421.95	18,716,422	3,729,248.69	3,729,249	8,934,722.00	8,934,722
03					Alternate 3A Modified- Phase 2A																			
	10				Raw Water Supply																			
		300			10 MGD Pumps																			
			85		Electrical																			
				Div 25	Integrated Automation																			
					Instrumentation & Control	1 ls		15,000.00	15,000	8,642	23,641.63	23,642	0.01		-	-	-	-	15,000.00	15,000	-	-	-	-
					Div 25 Integrated Automation	1 ls		15,000.00	15,000	8,642	23,641.63	23,642	0.01						15,000.00	15,000				
				Div 26	Electrical																			
					Electrical	1 ls		90,000.00	90,000	51,850	141,849.85	141,850	0.04							90,000.00	90,000			-
					Div 26 Electrical	1 ls		90,000.00	90,000	51,850	141,849.85	141,850	0.04							90,000.00	90,000			
					85 Electrical	1 ls		105,000.00	105,000	60,491	165,491.48	165,491	0.05							105,000.00	105,000			
			90		Process Equipment																			
				Div 46	Water and Wastewater Equipment																			
					600 hp - Variable Frequency Drives	2 ea	140	155,036.79	310,074	199,278	254,675.64	509,351	0.14		3,036.79	6,074	152,000.00	304,000	-	-	-	-	-	-
					Vertical Turbine Pumps- 7000 gpm	2 ea	288	284,484.15	568,968	365,603	467,285.72	934,571	0.26											

Water Supply Project
Detailed Cost Estimate (DCE) Report
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WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
			100		Open Cut Piping																			
				Div 31	Earthwork																			
					Trench Excav & Backfill 4- 8'	41,072 lf	14,786	28.69	1,178,276	731,428	46.50	1,909,704	0.52		13.80	566,757	-	-	-	-	14.89	611,519	-	
					Utility Bed Sand	12,169 cy		17.25	209,915	135,103	28.35	345,019	0.09		0.00	0	17.25	209,915	-	-	0.00	0	-	
					3500 psi Thrust Block Concrete	150 cy	113	138.37	20,756	13,159	226.10	33,915	0.01		27.99	4,198	110.38	16,557	-	-	-	-	-	
					Silt Fence/Erosion Control Measures	41,072 lf		5.00	205,360	118,310	7.88	323,670	0.09		0.00	0	0.00	0	5.00	205,360	0.00	0	-	
					Div 31 Earthwork	1 ls	14,898		1,614,306.42	1,614,306	998,000	2,612,306.70	0.71		570,955.44	570,955	226,472.44	226,472	205,360.00	205,360	611,518.54	611,519		
				Div 32	Exterior Improvements																			
					Asphalt Patching/Street Restoration	210 sy		50.00	10,500	6,049	78.81	16,549	0.00	21 repairs, average 15 ft long.	-	-	-	-	50.00	10,500	-	-	-	
					Saw Cut Asphalt in Street Before Trench Excavation	3,780 inft		0.85	3,213	1,851	1.34	5,064	0.00		-	-	-	-	0.85	3,213	-	-	-	
					Hydroseeding/ROW Restoration	17 ac		3,000.00	51,000	29,382	4,728.33	80,382	0.02		-	-	-	-	3,000.00	51,000	-	-	-	
					Div 32 Exterior Improvements	1 ls			64,713.00	64,713	37,282	101,994.75	0.03						64,713.00	64,713				
				Div 33	Utilities																			
					2" Air Release/Vaccum Valve	8 ea	10	1,554.34	12,435	7,982	2,552.14	20,417	0.01		54.34	435	1,500.00	12,000	-	-	-	-	-	
					DI Pipe Push - Class 52 24	41,072 lf	16,429	128.59	5,281,257	3,360,343	210.40	8,641,600	2.36		19.85	815,211	108.74	4,466,046	-	-	-	-	-	
					DI RJ Std Wgt Fittings 24- allowance	85 ea	539	3,334.84	283,462	181,167	5,466.23	464,629	0.13		314.84	26,762	3,020.00	256,700	-	-	-	-	-	
					Unload & Shake Out DIP	41,072 lf	1,429	2.77	113,567	70,453	4.48	184,020	0.05		1.35	55,566	0.00	0	-	-	1.41	58,001	-	
					Hydrostatic Testing - 14-24"	41,072 lf	1,725	1.99	81,559	48,930	3.18	130,489	0.04		1.83	74,987	0.16	6,572	-	-	-	-	-	
					Chlorination	41,072 lf		0.10	4,107	2,643	0.16	6,751	0.00		0.00	0	0.10	4,107	-	-	-	-	-	
					Precast Vaults	1 ea	56	12,373.40	12,373	7,860	20,232.90	20,233	0.01		2,192.72	2,193	7,500.00	7,500	-	-	2,680.68	2,681	-	
					Butterfly Valves MJ 24" w/ valve box	8 ea	104	6,576.78	52,614	33,617	10,778.90	86,231	0.02		647.55	5,180	5,929.23	47,434	-	-	-	-	-	
					Pressure Monitoring	1 ls	10	2,991.30	2,991	1,902	4,893.17	4,893	0.00		491.30	491	2,500.00	2,500	-	-	-	-	-	
					Div 33 Utilities	1 ls	20,302		5,844,365.40	5,844,365	3,714,898	9,559,263.57	2.61		980,825.29	980,825	4,802,858.62	4,802,859			60,681.49	60,681		
					100 Open Cut Piping	1 ls	35,200		7,523,384.82	7,523,385	4,750,180	12,273,565.02	3.35		1,551,780.73	1,551,781	5,029,331.06	5,029,331	270,073.00	270,073	672,200.03	672,200		
					312 Central Bowie Co. to DeKalb	41,072 lf	35,200		183.18	7,523,385	4,750,180	298.83	12,273,565	3.35		37.78	1,551,781	122.45	5,029,331	6.58	270,073	16.37	672,200	
		313			New Boston to Central Bowie Co.																			
			100		Open Cut Piping																			
				Div 31	Earthwork																			
					Trench Excav & Backfill 4- 8'	18,283 lf	6,582	28.69	524,504	325,592	46.50	850,095	0.23		13.80	252,289	-	-	-	-	14.89	272,214	-	
					Utility Bed Sand	5,417 cy		17.25	93,443	60,141	28.35	153,584	0.04		0.00	0	17.25	93,443	-	-	0.00	0	-	
					3500 psi Thrust Block Concrete	100 cy	75	138.37	13,837	8,773	226.10	22,610	0.01		27.99	2,799	110.38	11,038	-	-	-	-	-	
					Silt Fence/Erosion Control Measures	18,283 lf		5.00	91,415	52,665	7.88	144,080	0.04		0.00	0	0.00	0	5.00	91,415	0.00	0	-	
					Div 31 Earthwork	1 ls	6,657		723,198.94	723,199	447,170	1,170,369.24	0.32		255,088.07	255,088	104,481.38	104,481	91,415.00	91,415	272,214.49	272,214		
				Div 32	Exterior Improvements																			
					Asphalt Patching/Street Restoration	1,667 sy		50.00	83,350	48,019	78.81	131,369	0.04	60 repairs, average 25 ft long + 1000 lf of city street.	-	-	-	-	50.00	83,350	-	-	-	
					Saw Cut Asphalt in Street Before Trench Excavation	30,000 inft		0.85	25,500	14,691	1.34	40,191	0.01		-	-	-	-	0.85	25,500	-	-	-	
					Hydroseeding/ROW Restoration	8 ac		3,000.00	24,000	13,827	4,728.33	37,827	0.01		-	-	-	-	3,000.00	24,000	-	-	-	
					Div 32 Exterior Improvements	1 ls			132,850.00	132,850	76,536	209,386.10	0.06						132,850.00	132,850				
				Div 33	Utilities																			
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WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
				Div 02	Existing Conditions																			
					Demo Above Ground Concrete Tanks	1 ea	120	19,612.58	19,613	12,384	31,996.56	31,997	0.01	Dispose in landfill	5,028.17	5,028	-	-	-	-	14,584.41	14,584	-	-
					Landfill T & D	1,000 tn		65.00	65,000	37,447	102,445	102,447	0.03		-	-	-	-	65.00	65,000	-	-	-	-
					Div 02 Existing Conditions	1 ls	120	84,612.58	84,613	49,831	134,443.67	134,444	0.04		5,028.17	5,028			65,000.00	65,000	14,584.41	14,584		
				Div 03	Concrete																			
					Tank Foundation- 40 ft dia.x 2 ft thick	93 cy	465	504.49	46,918	29,565	822.40	76,483	0.02		128.72	11,971	315.79	29,368	10.00	930	49.98	4,649	-	-
					Booster Pumps Foundation- 20 ft.x 20 ft x 2 ft thick	30 cy	150	504.49	15,135	9,537	822.40	24,672	0.01		128.72	3,862	315.79	9,474	10.00	300	49.98	1,500	-	-
					Div 03 Concrete	123 cy	615	504.49	62,052	39,102	822.40	101,155	0.03		128.72	15,832	315.79	38,842	10.00	1,230	49.98	6,148		
				Div 13	Special Construction																			
					Pre-Engineered Metal Canopy- 20'x20'	400 sf		25.00	10,000	5,761	39.40	15,761	0.00		-	-	-	-	25.00	10,000	-	-	-	-
					Div 13 Special Construction	1 ls		10,000.00	10,000	5,761	15,761.09	15,761	0.00						10,000.00	10,000				
				Div 26	Electrical																			
					Misc. Electrical, Lighting, Power to Pumps etc.	1 ls		25,000.00	25,000	14,403	39,402.74	39,403	0.01						25,000.00	25,000			-	-
					Div 26 Electrical	1 ls		25,000.00	25,000	14,403	39,402.74	39,403	0.01						25,000.00	25,000				
				Div 31	Earthwork																			
					Excavate & Grade for Tank	1 ls	96	7,373.31	7,373	4,564	11,937.15	11,937	0.00		3,825.32	3,825	-	-	-	-	3,547.99	3,548	-	-
					Div 31 Earthwork	1 ls	96	7,373.31	7,373	4,564	11,937.15	11,937	0.00		3,825.32	3,825					3,547.99	3,548		
				Div 32	Exterior Improvements																			
					Misc. Site Improvements	1 ls		10,000.00	10,000	5,761	15,761.08	15,761	0.00	Stone driveway, fencing.	-	-	-	-	10,000.00	10,000	-	-	-	-
					Hydroseeding/Restoration	1 ac		3,000.00	3,000	1,728	4,728.32	4,728	0.00		-	-	-	-	3,000.00	3,000	-	-	-	-
					Div 32 Exterior Improvements	1 ls		13,000.00	13,000	7,489	20,489.40	20,489	0.01						13,000.00	13,000				
				Div 33	Utilities																			
					DI MJ Std Wgt Fittings 14"	8 ea	39	571.80	4,574	2,865	929.96	7,440	0.00		207.30	1,658	364.50	2,916	-	-	-	-	-	-
					Precast Vaults	1 ea	56	8,373.40	8,373	5,285	13,658.42	13,658	0.00		2,192.72	2,193	3,500.00	3,500	-	-	2,680.68	2,681	-	-
					Butterfly Valves MJ 14"	4 ea	24	2,490.90	9,964	6,364	4,081.94	16,328	0.00		255.52	1,022	2,235.38	8,942	-	-	-	-	-	-
					Prestressed Concrete Water Storage Tank - 238,000 gal.	1 ea		315,000.00	315,000	181,474	496,474.40	496,474	0.14		-	-	-	-	315,000.00	315,000	-	-	-	-
					Magnetic Flow Meter 14"	1 ea	26	8,901.25	8,901	5,674	14,574.94	14,575	0.00		1,163.21	1,163	7,500.00	7,500	-	-	238.04	238	-	-
					DI Flanged Joint Pipe 14"	16 lf	33	224.90	3,598	2,250	365.53	86.73	0.00		86.73	1,388	138.18	2,211	-	-	-	-	-	-
					Pipe Supports	10 ea	36	280.01	2,800	1,729	452.91	4,529	0.00		153.99	1,540	126.02	1,260	-	-	-	-	-	-
					Ball Valve 14" w/ motor operator	2 ea	48	16,079.43	32,159	20,601	26,380.06	52,760	0.01		1,015.32	2,031	15,000.00	30,000	-	-	64.11	128	-	-
					Div 33 Utilities	1 ls	262	385,369.99	385,370	226,243	611,612.92	611,613	0.17		10,994.53	10,995	56,328.53	56,329	315,000.00	315,000	3,046.93	3,047		
				Div 46	Water and Wastewater Equipment																			
					80 hp - Variable Frequency Drives	2 ea	71	18,949.37	37,899	24,245	31,071.77	62,144	0.02		1,549.37	3,099	17,400.00	34,800	-	-	-	-	-	-
					Horizontal Split Case Booster Pumps- 3000 gpm	2 ea	40	51,324.82	102,650	65,984	84,316.95	168,634	0.05		862.73	1,725			-	-	462.09	924	50,000.00	100,000
					Div 46 Water and Wastewater Equipment	1 ls	111	140,548.37	140,548	90,229	230,777.43	230,777	0.06		4,824.20	4,824	34,800.00	34,800			924.17	924	100,000.00	100,000
					115 Storage Tank Sites	1 ls	1,205	727,956.65	727,957	437,623	1,165,579.24	1,165,579	0.32		40,504.46	40,504	129,970.63	129,971	429,230.00	429,230	28,251.56	28,252	100,000.00	100,000
					315 City of Dekalb Storage/Booster Pump Station	1 ls	1,205	727,956.65	727,957	437,623	1,165,579.24	1,165,579	0.32		40,504.46	40,504	129,970.63	129,971	429,230.00	429,230	28,251.56	28,252	100,000.00	100,000
		320			Central Bowie County Storage/Booster Pump Station																			
			115		Storage Tank Sites</																			

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WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
					90 Process Equipment	1 ls	1,120	462,040.90	462,041	295,123	757,164.04	757,164	0.21		47,382.00	47,382					20,658.90	20,659	394,000.00	394,00
					405 Upgrade Two Treatment Trains	2 ea	1,120	231,020.45	462,041	295,123	378,582.02	757,164	0.21		23,691.00	47,382					10,329.45	20,659	197,000.00	394,00
		406			Sludge Lagoons & Recycle Station																			
				217	Sludge Lagoons & Recycle Station																			
				Div 31	Earthwork																			
					Excavate and Grade for Sludge Lagoons- 150 ft. x 400 ft. x 5 ft. deep	12,000 cy	960	7.02	84,187	52,463	11.39	136,650	0.04		3.02	36,226				-	-	4.00	47,961	-
					Excess Soils Disposal- Beneficial Reuse	12,000 cy		2.50	30,000	17,283	3.94	47,283	0.01						2.50	30,000			-	
					Div 31 Earthwork	1 ls	960	114,187.02	114,187	69,746	183,933.10	183,933	0.05		36,225.66	36,226			30,000.00	30,000	47,961.36	47,961		
				Div 33	Utilities																			
					Recycle Pump Station- submersible duplex pumps, 10 hp, concrete manhole	1 ea	95	75,948.43	75,948	48,686	124,634.80	124,635	0.03		4,100.09	4,100			-	-	1,848.34	1,848	70,000.00	70,00
					Div 33 Utilities	1 ls	95	75,948.43	75,948	48,686	124,634.80	124,635	0.03		4,100.09	4,100					1,848.34	1,848	70,000.00	70,00
					217 Sludge Lagoons & Recycle Station	1 ea	1,055	190,135.45	190,135	118,432	308,567.90	308,568	0.08		40,325.75	40,326			30,000.00	30,000	49,809.70	49,810	70,000.00	70,00
					406 Sludge Lagoons & Recycle Station	1 ea	1,055	190,135.45	190,135	118,432	308,567.90	308,568	0.08		40,325.75	40,326			30,000.00	30,000	49,809.70	49,810	70,000.00	70,00
					20 Water Treatment Plant	1 ls	2,175	652,176.35	652,176	413,556	1,065,731.94	1,065,732	0.29		87,707.75	87,708			30,000.00	30,000	70,468.60	70,469	464,000.00	464,00
	30				Distribution Pipelines																			
		412			DeKalb to City of Avery																			
				100	Open Cut Piping																			
				Div 31	Earthwork																			
					Trench Excav & Backfill 4- 8'	60,185 lf	17,333	22.95	1,381,272	857,441	37.20	2,238,713	0.61		11.04	664,400		-	-	-	-	11.91	716,873	-
					Utility Bed Sand	8,916 cy		17.25	153,801	98,988	28.35	252,789	0.07		0.00	0		17.25	153,801	-	0.00	0	-	-
					3500 psi Thrust Block Concrete	200 cy	150	138.37	27,674	17,545	226.10	45,220	0.01		27.99	5,598		110.38	22,076	-	-	-	-	-
					Silt Fence/Erosion Control Measures	60,185 lf		5.00	300,925	173,366	7.88	474,291	0.13		0.00	0		0.00	0	5.00	300,925	0.00	0	-
					Div 31 Earthwork	1 ls	17,483	1,863,672.35	1,863,672	1,147,339	3,011,011.71	3,011,012	0.82		669,997.42	669,997		175,877.25	175,877	300,925.00	300,925	716,872.68	716,873	
				Div 32	Exterior Improvements																			
					Asphalt Patching/Street Restoration	312 sy		50.00	15,600	8,987	78.81	24,587	0.01	35 repairs, average 20 ft long.	-	-		-	-	50.00	15,600	-	-	-
					Saw Cut Asphalt in Street Before Trench Excavation	8,400 inft		0.85	7,140	4,113	1.34	11,253	0.00		-	-		-	0.85	7,140	-	-	-	-
					Hydroseeding/ROW Restoration	25 ac		3,000.00	75,000	43,208	4,728.33	118,208	0.03		-	-		-	-	3,000.00	75,000	-	-	-
					Div 32 Exterior Improvements	1 ls		97,740.00	97,740	56,309	154,048.90	154,049	0.04						97,740.00	97,740				
				Div 33	Utilities																			
					2" Air Release/Vaccum Valve	12 ea	15	1,554.34	18,652	11,974	2,552.15	30,626	0.01		54.34	652		1,500.00	18,000	-	-	-	-	-
					DI Pipe Push - Class 52 10	60,185 lf	16,852	50.27	3,025,430	1,907,475	81.96	4,932,905	1.35		13.89	836,201		36.38	2,189,229	-	-	-	-	-
					DI RJ Std Wgt Fittings 10"- allowance	120 ea	427	936.40	112,368	71,316	1,530.70	183,684	0.05		176.40	21,168		760.00	91,200	-	-	-	-	-
					Unload & Shake Out DIP	60,185 lf	2,093	2.77	166,416	103,239	4.48	269,655	0.07		1.35	81,424		0.00	0	-	1.41	84,992	-	-
					Hydrostatic Testing - 2-12"	60,185 lf	1,444	1.13	67,725	40,606	1.80	108,331	0.03		1.04	62,790		0.08	4,935	-	-	-	-	-
					Chlorination	60,185 lf		0.10	6,019	3,874	0.16	9,892	0.00		0.00	0		0.10	6,019	-	-	-	-	-
					Precast Vaults	1 ea	56	9,873.40	9,873	6,250	16,123.86	16,124	0.00		2,192.72	2,193		5,000.00	5,000	-	-	2,680.68	2,681	-
					Butterfly Valves MJ 10" w/ valve box	12 ea	48	1,453.42	17,441	11,113	2,379.52	28,554	0.01		196.50	2,358		1,256.92	15,083	-	-	-	-	-
					Pressure Monitoring	1 ls	10	2,991.30	2,991	1,902	4,893.20	4,893	0.00		491.30	491		2,500.00	2,500	-	-	-	-	-
					Div 33 Utilities	1 ls	20,945	3,426,915.69	3,426,916	2,157,749	5,584,664.55	5,584,665	1.52		1,007,277.23	1,007,277		2,331,966.09	2,331,966					

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
					413 Avery to City of Annona	45,187	If	28,877	84.50	3,818,100	2,362,136	136.77	6,180,236	1.69		27.62	1,247,937	30.80	1,391,909	11.79	532,607	14.29	645,647	
		415			City of Annona Storage/Booster Pump Station																			
			115		Storage Tank Sites																			
				Div 02	Existing Conditions																			
					Demo Above Ground Steel Tanks	1 ea	64	8,942.34	8,942	5,629	14,571.65	14,572	0.00	Recycle steel, no disposal cost.	2,654.11	2,654	-	-	-	-	6,288.23	6,288	-	-
					Landfill T & D	250 tn		65.00	16,250	9,362	102.45	25,612	0.01	Steel tank foundations	-	-	-	-	65.00	16,250	-	-	-	-
					Div 02 Existing Conditions	1 ls	64	25,192.34	25,192	14,991	40,183.41	40,183	0.01		2,654.11	2,654			16,250.00	16,250	6,288.23	6,288		
				Div 03	Concrete																			
					Tank Foundation- 40 ft dia.x 2 ft thick	93 cy	465	504.49	46,918	29,565	822.40	76,483	0.02		128.72	11,971	315.79	29,368	10.00	930	49.98	4,649	-	
					Booster Pumps Foundation- 20 ft.x 20 ft x 2 ft thick	30 cy	150	504.49	15,135	9,537	822.40	24,672	0.01		128.72	3,862	315.79	9,474	10.00	300	49.98	1,500	-	
					Div 03 Concrete	123 cy	615	504.49	62,052	39,102	822.40	101,155	0.03		128.72	15,832	315.79	38,842	10.00	1,230	49.98	6,148		
				Div 13	Special Construction																			
					Pre-Engineered Metal Canopy- 20'x20'	400 sf		25.00	10,000	5,761	39.40	15,761	0.00		-	-	-	-	25.00	10,000	-	-	-	-
					Div 13 Special Construction	1 ls		10,000.00	10,000	5,761	15,761.09	15,761	0.00						10,000.00	10,000				
				Div 26	Electrical																			
					Misc. Electrical, Lighting, Power to Pumps etc.	1 ls		25,000.00	25,000	14,403	39,402.71	39,403	0.01						25,000.00	25,000			-	
					Div 26 Electrical	1 ls		25,000.00	25,000	14,403	39,402.71	39,403	0.01						25,000.00	25,000				
				Div 31	Earthwork																			
					Excavate & Grade for Tank	1 ls	96	7,373.31	7,373	4,564	11,937.16	11,937	0.00		3,825.32	3,825	-	-	-	-	3,547.99	3,548	-	-
					Div 31 Earthwork	1 ls	96	7,373.31	7,373	4,564	11,937.16	11,937	0.00		3,825.32	3,825					3,547.99	3,548		
				Div 32	Exterior Improvements																			
					Misc. Site Improvements	1 ls		10,000.00	10,000	5,761	15,761.09	15,761	0.00	Stone driveway, fencing.	-	-	-	-	10,000.00	10,000	-	-	-	-
					Hydroseeding/Restoration	1 ac		3,000.00	3,000	1,728	4,728.32	4,728	0.00		-	-	-	-	3,000.00	3,000	-	-	-	-
					Div 32 Exterior Improvements	1 ls		13,000.00	13,000	7,489	20,489.41	20,489	0.01						13,000.00	13,000				
				Div 33	Utilities																			
					DI MJ Std Wgt Fittings 14"	8 ea	39	571.80	4,574	2,865	929.96	7,440	0.00		207.30	1,658	364.50	2,916	-	-	-	-	-	-
					Precast Vaults	1 ea	56	8,373.40	8,373	5,285	13,658.43	13,658	0.00		2,192.72	2,193	3,500.00	3,500	-	-	2,680.68	2,681	-	-
					Butterfly Valves MJ 14"	4 ea	24	2,490.90	9,964	6,364	4,081.93	16,328	0.00		255.52	1,022	2,235.38	8,942	-	-	-	-	-	-
					Prestressed Concrete Water Storage Tank - 205,000 gal.	1 ea		270,000.00	270,000	155,549	425,549.49	425,549	0.12		-	-	-	-	270,000.00	270,000	-	-	-	-
					Magnetic Flow Meter 14"	1 ea	26	8,901.25	8,901	5,674	14,574.92	14,575	0.00		1,163.21	1,163	7,500.00	7,500	-	-	238.04	238	-	-
					DI Flanged Joint Pipe 14"	16 lf	33	224.90	3,598	2,250	365.53	86.73	0.00		86.73	1,388	138.18	2,211	-	-	-	-	-	-
					Pipe Supports	10 ea	36	280.01	2,800	1,729	452.91	4,529	0.00		153.99	1,540	126.02	1,260	-	-	-	-	-	-
					Ball Valve 14" w/ motor operator	2 ea	48	16,079.43	32,159	20,601	26,380.05	52,760	0.01		1,015.32	2,031	15,000.00	30,000	-	-	64.11	128	-	-
					Div 33 Utilities	1 ls	262	340,369.99	340,370	200,318	540,688.00	540,688	0.15		10,994.53	10,995	56,328.53	56,329	270,000.00	270,000	3,046.93	3,047		
				Div 46	Water and Wastewater Equipment																			
					80 hp - Variable Frequency Drives	2 ea	71	18,949.37	37,899	24,245	31,071.76	62,144	0.02		1,549.37	3,099	17,400.00	34,800	-	-	-	-	-	-
					Horizontal Split Case Booster Pumps- 3000 gpm	2 ea	40	51,324.82	102,650	65,984	84,316.96	168,634	0.05		862.73	1,725	-	-	-	-	462.09	924	50,000.00	100,000.00
					Div 46 Water and Wastewater Equipment	1 ls	111	140,548.37	140,548	90,229	230,777.45	230,777	0.06		4,824.20	4,824	34,800.00	34,800	-	-	924.17	924	100,000.00	100,000.00
					115 Storage Tank Sites	1 ls	1,149	623,536.41	623,536	376,858	1,000,394.08	1,000,394	0.27		38,130.40	38,130	129,970.63	129,971	335,480.00	335,480	19,955.38	19,955	100,000.00	100,000.00
					415 City of Annona Storage/Booster Pump Station	1 ls	1,14																	

Packet Pg. 590

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
				Div 13	Special Construction																			
					Pre-Engineered Metal Building- Electrical & Pump Rooms	1,920 sf		50.00	96,000	55,306	78.81	151,306	0.04	Based on 40 ft x 48 ft x 10 ft eave height. Includes HVAC system.	-	-	-	-	50.00	96,000	-	-	-	-
					Div 13 Special Construction	1 ls		96,000.00	96,000	55,306	151,306.47	151,306	0.04						96,000.00	96,000				
					80 Pump Station Structure	1 ls	3,838	426,843.65	426,844	263,135	689,978.57	689,979	0.19		98,803.49	98,803	189,315.79	189,316	102,110.00	102,110	36,614.37	36,614		
					500 Intake Pump Station Wet Well For Phase 3	1 ls	7,632	1,094,823.95	1,094,824	678,015	1,772,838.81	1,772,839	0.48		241,058.56	241,059	520,465.79	520,466	224,794.55	224,795	108,505.05	108,505		
		501			Intake Structure-Screens																			
				112	Raw Water Intake Structure																			
				Div 35	Waterway and Marine																			
					Mobilize & Demobilize Barges, Crane/Drilling Rig, Crew	1 ls	112	19,014.98	19,015	11,973	30,988.41	30,988	0.01		5,574.45	5,574			-	-	13,440.53	13,441	-	-
					Div 35 Waterway and Marine	1 ls	112	19,014.98	19,015	11,973	30,988.41	30,988	0.01		5,574.45	5,574					13,440.53	13,441		
				Div 46	Water and Wastewater Equipment																			
					Intake Screen, RAW Water, 72" disch, 336" OAL, 316L SS	2 ea	224	92,628.74	185,257	118,704	151,980.67	303,961	0.08		5,574.45	11,149	-	-			12,054.29	24,109	75,000.00	150,000
					Div 46 Water and Wastewater Equipment	1 ls	224	185,257.48	185,257	118,704	303,961.33	303,961	0.08		11,148.90	11,149					24,108.58	24,109	150,000.00	150,000
					112 Raw Water Intake Structure	2 ea	336	102,136.23	204,272	130,677	167,474.87	334,950	0.09		8,361.68	16,723					18,774.56	37,549	75,000.00	150,000
					501 Intake Structure-Screens	2 ea	336	102,136.23	204,272	130,677	167,474.87	334,950	0.09		8,361.68	16,723					18,774.56	37,549	75,000.00	150,000
		505			Intake Pump Capacity for 30 MGD																			
				85	Electrical																			
				Div 25	Integrated Automation																			
					Instrumentation & Control	1 ls		75,000.00	75,000	43,208	118,208.20	118,208	0.03		-	-	-	-	75,000.00	75,000	-	-	-	-
					Div 25 Integrated Automation	1 ls		75,000.00	75,000	43,208	118,208.20	118,208	0.03						75,000.00	75,000				
				Div 26	Electrical																			
					Electrical	1 ls		360,000.00	360,000	207,399	567,399.30	567,399	0.15						360,000.00	360,000			-	-
					Div 26 Electrical	1 ls		360,000.00	360,000	207,399	567,399.30	567,399	0.15						360,000.00	360,000				
					85 Electrical	1 ls		435,000.00	435,000	250,608	685,607.50	685,608	0.19						435,000.00	435,000				
				90	Process Equipment																			
				Div 46	Water and Wastewater Equipment																			
					600 hp - Variable Frequency Drives	4 ea	280	155,036.79	620,147	398,555	254,675.65	1,018,703	0.28		3,036.79	12,147	152,000.00	608,000	-	-	-	-	-	-
					Vertical Turbine Pumps- 7000 gpm	4 ea	576	284,484.15	1,137,937	731,206	467,285.71	1,869,143	0.51		6,211.63	24,847	500,000	2,000	-	-	2,772.52	11,090	275,000.00	1,100,000
					Div 46 Water and Wastewater Equipment	1 ls	856	1,758,083.75	1,758,084	1,129,762	2,887,845.45	2,887,845	0.79		36,993.69	36,994	610,000.00	610,000	-	-	11,090.06	11,090	1,100,000.00	1,100,000
					90 Process Equipment	1 ls	856	1,758,083.75	1,758,084	1,129,762	2,887,845.45	2,887,845	0.79		36,993.69	36,994	610,000.00	610,000			11,090.06	11,090	1,100,000.00	1,100,000
				95	Pump Discharge Piping																			
				Div 33	Utilities																			
					DI MJ Std Wgt 90 54	2 ea	29	9,576.44	19,153	12,265	15,708.86	31,418	0.01		653.85	1,308	8,684.55	17,369	-	-	238.04	476	-	-
					DI MJ Std Wgt Tee 54x24	7 ea	152	9,732.40	68,127	43,520	15,949.59	111,647	0.03		982.35	6,876	8,478.00	59,346	-	-	272.05	1,904	-	-
					DI MJ Std Wgt Cap 24	3 ea	11	738.13	2,214	1,403	1,205.63	3,617	0.00		159.28	478	499.50	1,499	-	-	79.35	238	-	-
					DI MJ Std Wgt Cap 54	1 ea	8	10,292.47	10,292	6,606	16,898.75	16,899	0.00		380.47	380	9,912.00	9,912	-	-	-	-	-	-
					Butterfly Valves MJ 24"	4 ea	52	6,578.42	26,314	16,824	10,784.34	43,137	0.01		589.68	2,359	5,929.23	23,717	-	-	59.51	238	-	-
					Pressure Monitoring	1 ls	10	2,991.30	2,991	1,902	4,893.20	4,893	0.00		491.30	491	2,500.00	2,500	-	-	-	-	-	-
					DI Flanged Joint Pipe 24"	32 lf	85	412.84	13,211	8,331	673.18	21,542	0.01		112.96	3,615	267.83	8,571	-	-	32.05	1,026	-	-
					DI Flanged Joint Pipe 54"	34 lf	165	1,160.34	39,451	25,059	1,897.37	64,511	0.02		205.60	6,990	894.40	30,410	-	-	60.33	2,051	-	-

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
					* unassigned *				30,000	17,283		47,283	0.01							30,000				
					515 Piggling Station	1 ls		30,000.00	30,000	17,283	47,283.29	47,283	0.01						30,000.00	30,000				
	20				10 Raw Water Supply	1 ls	61,070	24,166,048.26	24,166,048	15,323,862	39,489,910.40	39,489,910	10.78		2,571,667.84	2,571,668	17,538,569.51	17,538,570	1,592,219.55	1,592,220	1,213,591.36	1,213,591	1,250,000.00	1,250,000
		520			Water Treatment Plant																			
					10 MGD Treatment- 1 train @ 10 mgd																			
				85	Electrical																			
				Div 25	Integrated Automation																			
					Instrumentation & Control	1 ls		75,000.00	75,000	43,208	118,208.20	118,208	0.03		-	-	-	-	75,000.00	75,000	-	-	-	-
					Div 25 Integrated Automation	1 ls		75,000.00	75,000	43,208	118,208.20	118,208	0.03						75,000.00	75,000				
				Div 26	Electrical																			
					Electrical	1 ls		210,000.00	210,000	120,983	330,982.92	330,983	0.09						210,000.00	210,000			-	-
					Div 26 Electrical	1 ls		210,000.00	210,000	120,983	330,982.92	330,983	0.09						210,000.00	210,000				
					85 Electrical	1 ls		285,000.00	285,000	164,191	449,191.12	449,191	0.12						285,000.00	285,000				
				205	Flocculation/Sedimentation																			
				Div 03	Concrete																			
					Base Slabs	837 cy	4,183	504.49	422,032	265,944	822.40	687,976	0.19		128.72	107,679	315.79	264,174	10.00	8,366	49.98	41,814	-	-
					Walls	494 cy	3,460	571.67	282,601	177,319	930.37	459,920	0.13		180.20	89,082	315.79	156,107	10.00	4,943	65.68	32,468	-	-
					Suspended Slabs	68 cy	476	555.98	37,795	23,698	904.58	61,493	0.02		180.20	12,250	315.79	21,467	10.00	680	49.98	3,398	-	-
					Div 03 Concrete	1,399 cy	8,119	530.69	742,428	466,961	864.47	1,209,390	0.33		149.40	209,011	315.76	441,748	10.00	13,989	55.53	77,680		
				Div 31	Earthwork																			
					Excavation of Structure	8,476 cy	542	5.74	48,626	30,362	9.32	78,988	0.02		2.32	19,670			-	-	3.42	28,956	-	-
					Backfilling of Structure	1,591 cy	127	5.80	9,229	5,691	9.38	14,920	0.00		3.29	5,237			-	-	2.51	3,992	-	-
					Prep & Rough Grade for Slabs	9,035 sf	14	0.09	847	517	0.15	1,363	0.00		0.07	600	-	-	-	-	0.03	247	-	-
					Excess Soils Disposal- Beneficial Reuse	6,884 cy		2.50	17,211	9,916	3.94	27,127	0.01						2.50	17,211			-	-
					Stone Base Under All Structures	167 cy	5	38.46	6,434	4,131	63.15	10,565	0.00		1.30	217	36.00	6,023	-	-	1.16	194	-	-
					Div 31 Earthwork	1 ls	690	82,346.88	82,347	50,616	132,962.44	132,962	0.04		25,723.55	25,724	6,023.16	6,023	17,211.15	17,211	33,389.02	33,389		
				Div 33	Utilities																			
					DI Pipe Push - Class 52 8	264 lf	66	35.94	9,488	5,951	58.48	15,439	0.00		12.41	3,275	23.53	6,213	-	-	-	-	-	-
					DI RJ Std Wgt 90 8	3 ea	9	427.28	1,410	886	695.65	2,296	0.00		139.78	461	287.50	949	-	-	-	-	-	-
					Hydrostatic Testing - 2-12"	264 lf	6	1.13	297	178	1.80	475	0.00		1.04	275	0.08	22	-	-	-	-	-	-
					Div 33 Utilities	1 ls	82	11,195.07	11,195	7,015	18,209.77	18,210	0.00		4,011.69	4,012	7,183.38	7,183						
				Div 46	Water and Wastewater Equipment																			
					Thickened Sludge Pump- Progressive Cavity Pump- 250 gpm	1 ea	20	35,795.38	35,795	23,000	58,795.84	58,796	0.02		795.38	795			-	-	-	-	35,000.00	35,000
					Sludge Pumps- Horizontal End Suction Pumps- 300 gpm	2 ea	40	19,324.81	38,650	24,793	31,721.47	63,443	0.02		862.73	1,725			-	-	462.09	924	18,000.00	36,000
					Weir Plate Fiberglass- 42 ft. 1 ea.	42 lf	24	84.02	3,529	2,224	136.97	23.69	0.00			995	50.00	2,100	-	-	10.33	434	-	-
					Vertical Shaft Flocculators- 1.5 hp, SS	9 ea	504	37,735.38	339,618	217,569	61,909.68	557,187	0.15		2,369.10	21,322			-	-	1,032.95	9,297	34,333.33	309,000
					Chain and Flights- 150 ft x 20 ft	2 ea	224	57,604.09	115,208	73,699	94,453.54	188,907	0.05		4,738.20	9,476	-	-	-	-	2,065.89	4,132	50,800.00	101,600
					Div 46 Water and Wastewater Equipment	1 ls	811	532,800.46	532,800	341,285	874,085.81	874,086	0.24		34,314.16	34,314	2,100.00	2,100			14,786.30	14,786	481,600.00	481,600
					205 Flocculation/Sedimentation	1 ls	9,701	1,368,770.76	1,368,771	865,877	2,234,647.85	2,234,648	0.61		273,060.47	273,060	457,054.96	457,055	31,199.85	31,200	125,855.48	125,855	4	

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
			85		Electrical																			
			Div 25		Integrated Automation																			
					Instrumentation & Control	1 ls		17,500.00	17,500	10,082	27,581.92	27,582	0.01		-	-	-	-	17,500.00	17,500	-	-	-	
					Div 25 Integrated Automation	1 ls		17,500.00	17,500	10,082	27,581.92	27,582	0.01						17,500.00	17,500				
			Div 26		Electrical																			
					Electrical	1 ls		50,000.00	50,000	28,805	78,805.47	78,805	0.02						50,000.00	50,000				-
					Div 26 Electrical	1 ls		50,000.00	50,000	28,805	78,805.47	78,805	0.02						50,000.00	50,000				
					85 Electrical	1 ls		67,500.00	67,500	38,887	106,387.39	106,387	0.03						67,500.00	67,500				
			* unassigned *																					
			Div 33		Utilities																			
					Butterfly Valves MJ 24"	1 ea	13	6,576.78	6,577	4,202	10,778.88	10,779	0.00		647.55	648	5,929.23	5,929	-	-	-	-	-	
					Ball Valve 24" w/ motor operator	1 ea	40	36,692.20	36,692	23,535	60,227.27	60,227	0.02		1,692.20	1,692	35,000.00	35,000	-	-	-	-	-	
					Div 33 Utilities	1 ls	53	43,268.98	43,269	27,737	71,006.15	71,006	0.02		2,339.75	2,340	40,929.23	40,929	-	-	-	-	-	
			Div 46		Water and Wastewater Equipment																			
					500 hp - Variable Frequency Drives	1 ea	59	96,559.58	96,560	62,025	158,584.62	158,585	0.04		2,559.58	2,560	94,000.00	94,000	-	-	-	-	-	
					Vertical Can Pump- 7,000 gpm	1 ea	48	313,121.85	313,122	201,425	514,546.94	514,547	0.14		2,168.96	2,169	-	-	-	-	-	-	952.89	953
					Div 46 Water and Wastewater Equipment	1 ls	107	409,681.43	409,681	263,450	673,131.56	673,132	0.18		4,728.54	4,729	94,000.00	94,000	-	-	-	-	952.89	953
					* unassigned *		160		452,950	291,187		744,138	0.20			7,068		134,929				953		
					521 High Service Pump Station	1 ls	160	520,450.41	520,450	330,075	850,525.10	850,525	0.23		7,068.29	7,068	134,929.23	134,929	67,500.00	67,500	952.89	953	310,000.00	310,00
		522			Upgrade One Treatment Train																			
			90		Process Equipment																			
			Div 46		Water and Wastewater Equipment																			
					Tube Packs	4,200 sf	280	39.05	164,010	104,996	64.05	269,006	0.07		2.82	11,846			-	-	-	-	1.23	5,165
					Troughs & Supports	1 ls	280	67,010.23	67,010	42,566	109,575.97	109,576	0.03		11,845.50	11,846			-	-	-	-	5,164.73	5,165
					Div 46 Water and Wastewater Equipment	1 ls	560	231,020.46	231,020	147,562	378,582.04	378,582	0.10		23,691.00	23,691			-	-	-	-	10,329.46	10,329
					90 Process Equipment	1 ls	560	231,020.46	231,020	147,562	378,582.04	378,582	0.10		23,691.00	23,691			-	-	-	-	10,329.46	10,329
					522 Upgrade One Treatment Train	1 ea	560	231,020.46	231,020	147,562	378,582.04	378,582	0.10		23,691.00	23,691			-	-	-	-	10,329.46	10,329
					20 Water Treatment Plant	1 ls	19,484	4,823,273.17	4,823,273	3,049,306	7,872,578.75	7,872,579	2.15		585,132.85	585,133	1,131,061.54	1,131,062	403,016.73	403,017	237,837.05	237,837	2,466,225.00	2,466,22
	30				Distribution Pipelines																			
		525			City of Redwater Storage/Booster Pump Station																			
			115		Storage Tank Sites																			
			Div 03		Concrete																			
					Tank Foundation- 125 ft dia.x 2 ft thick	3,634 cy	18,170	504.49	1,833,321	1,155,271	822.40	2,988,591	0.82		128.72	467,759	315.79	1,147,579	10.00	36,340	49.98	181,643	-	
					Booster Pumps Foundation- 20 ft.x 20 ft x 2 ft thick	30 cy	150	504.49	15,135	9,537	822.40	24,672	0.01		128.72	3,862	315.79	9,474	10.00	300	49.98	1,500	-	
					Div 03 Concrete	3,664 cy	18,320	504.49	1,848,456	1,164,808	822.40	3,013,263	0.82		128.72	471,621	315.79	1,157,053	10.00	36,640	49.98	183,142	-	
			Div 13		Special Construction																			
					Pre-Engineered Metal Canopy- 20'x20'	400 sf		25.00	10,000	5,761	39.40	15,761	0.00		-	-	-	-	25.00	10,000	-	-	-	
					Div 13 Special Construction	1 ls		10,000.00	10,000	5,761	15,761.10	15,761	0.00						10,000.00	10,000				
			Div 26		Electrical																			
					Misc. Electrical, Lighting, Power to Pumps etc.	1 ls		25,000.00	25,000	14,403	39,402.73	39,403	0.01						25,000.00	25,000			-	
					Div 26 Electrical	1 ls		25,000.00	25,000	14,403	39,402.73	39,403	0.01						25,000.00	25,000				
			Div 31		Earthwork																			
					Selective Clearing & Grubbing	2 ac	128	4,780.58	9,561	5,917	7,739.06	15,478	0.00	30 ft wide.	2,491.27	4,983	-	-	-	-	-	2,289.31	4,579	
					Excavate & Grade for Tank	1 ls	96	7,373.31	7,373	4,564	11,937.16	11,937	0.00		3,825.32	3,825	-	-	-	-	-	3,547.99	3,548	
					Div 31 Earthwork	1 ls	224	16,934.46	16,934	10,481	27,415.27	27,415	0.01		8,807.86	8,808			-	-	-	-	8,126.60	8,127
			Div 32		Exterior Improvements																			
					Misc. Site Improvements	1 ls		10,000.00	10,000	5,761	15,761.09	15,761	0.00	Stone driveway, fencing.	-	-	-	-	10,000.00	10,000	-	-	-	
					Hydroseeding/Restoration	2 ac		3,000.00	6,000	3,457	4,728.33	9,457	0.00		-	-	-	-	3,000.00	6,000	-	-	-	
					Div 32 Exterior Improvements	1 ls		16,000.00	16,000	9,218	25,217.75	25,218	0.01						16,000.00	16,000				
			Div 33		Utilities																			
					DI MJ Std Wgt Fittings 14"	8 ea	39	571.80	4,574	2,865	929.96	7,440	0.00		207.30	1,658	364.50	2,916	-	-	-	-	-	
					Precast Vaults	1 ea	56	8,373.40	8,373	5,285	13,658.43	13,658	0.00		2,192.72	2,193	3,500.00	3,500	-	-	-	-	2,680.68	2,681
					Butterfly Valves MJ 14"	4 ea	24	2,490.90	9,964	6,364	4,081.94	16,328	0.00		255.52	1,022	2,235.38	8,942	-	-	-	-	-	
					Prestressed Concrete Water Storage Tank - 15,300,000 gal.	1 ea		5,800,000.00	5,800,000	3,341,433	9,141,433.38	9,141,433	2.50		-	-	-	-	5,800,000.00	5,800,000			-	
					Magnetic Flow Meter 14"	1 ea	26	8,901.25	8,901	5,674	14,574.95	14,575	0.00		1,163.21	1,163	7,500.00	7,500	-	-	-	-	238.04	238
					DI Flanged Joint Pipe 14"	16 lf	33	224.90	3,598	2,250	365.53	5,848	0.00			1,388	138.18	2,211	-	-	-	-	-	
					Pipe Supports	10 ea	36	280.01	2,800	1,729	452.91	5,429	0.00			153.99	1,540	126.02	1,260	-	-	-	-	
					Ball Valve 14" w/ motor operator	2 ea	48	16,079.43	32,159	20,601	26,380.06	52,760	0.01		1,015.32	2,031	15,000.00	30,000	-	-	-	-	64.11	128
					Div 33 Utilities	1 ls	262	5,870,369.99	5,870,370	3,386,202	9,256,571.89	9,256,572	2.53		10,994.53	10,995	56,328.53	56,329	5,800,000.00	5,800,000	3,046.93	3,047		
			Div 46		Water and Wastewater Equipment																			
					80 hp - Variable Frequency Drives	2 ea	71	18,949.37	37,899	24,245	31,071.76	62,144	0.02		1,549.37	3,099	17,400.00	34,800	-	-	-	-	-	
					Horizontal Split Case Booster Pumps- 3000 gpm	2 ea	40	51,324.82	102,650	65,984	84,316.97	168,634	0.05		862.73	1,725			-	-	-	-	462.09	924
					Div 46 Water and Wastewater Equipment	1 ls	111	140,548.37	140,548	90,229	230,777.47	230,777	0.06		4,824.20	4,824	34,800.00	34,800					924.17	924
					115 Storage Tank Sites	1 ls	18,918	7,927,308.34	7,927,308	4,681,101	12,608,409.54	12,608,410	3.44		496,247.20	496,247	1,248,181.16	1,248,181	5,887,640.00	5,887,640	195,239.98	195,240	100,000.00	100,00
					525 City of Redwater Storage/Booster Pump Station	1 ls	18,918	7,927,308.34	7,927,308	4,681,101	12,608,409.54	12,608,410	3.44		496,247.20	496,247	1,248,181.16	1,248,181	5,887,640.00	5,887,640	195,239.98	195,240	100,000.00	100,00
		530			TAC Storage/Booster Pump Station																			
			115		Storage Tank Sites																			
			Div 03		Concrete																			
					Tank Foundation- 125																			

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
				Div 33	Utilities																			
					Prestressed Concrete Water Storage Tank - 15,300,000 gal.	1 ea		5,800,000.00	5,800,000	3,341,433	9,141,433.42	9,141,433	2.50		-	-	-	-	5,800,000.00	5,800,000	-	-	-	-
					Magnetic Flow Meter 14"	1 ea	26	8,901.25	8,901	5,674	14,574.91	14,575	0.00		1,163.21	1,163	7,500.00	7,500	-	-	238.04	238	-	-
					DI Flanged Joint Pipe 14"	16 lf	33	224.90	3,598	2,250	365.53	5,848	0.00		86.73	1,388	138.18	2,211	-	-	-	-	-	-
					Pipe Supports	10 ea	36	280.01	2,800	1,729	452.92	4,529	0.00		153.99	1,540	126.02	1,260	-	-	-	-	-	-
					Ball Valve 14" w/ motor operator	2 ea	48	16,079.43	32,159	20,601	26,380.06	52,760	0.01		1,015.32	2,031	15,000.00	30,000	-	-	64.11	128	-	-
					Div 33 Utilities	1 ls	262	5,870,369.99	5,870,370	3,386,202	9,256,571.92	9,256,572	2.53		10,994.53	10,995	56,328.53	56,329	5,800,000.00	5,800,000	3,046.93	3,047	-	-
				Div 46	Water and Wastewater Equipment																			
					80 hp - Variable Frequency Drives	2 ea	71	18,949.37	37,899	24,245	31,071.76	62,144	0.02		1,549.37	3,099	17,400.00	34,800	-	-	-	-	-	-
					Horizontal Split Case Booster Pumps- 3000 gpm	2 ea	40	51,324.82	102,650	65,984	84,316.97	168,634	0.05		862.73	1,725			-	-	462.09	924	50,000.00	100,000.00
					Div 46 Water and Wastewater Equipment	1 ls	111	140,548.37	140,548	90,229	230,777.46	230,777	0.06		4,824.20	4,824	34,800.00	34,800	-	-	924.17	924	100,000.00	100,000.00
					115 Storage Tank Sites	1 ls	5,165	6,543,008.84	6,543,009	3,808,890	10,351,899.04	10,351,899	2.83		140,509.70	140,510	387,654.84	387,655	5,860,390.00	5,860,390	54,454.30	54,454	100,000.00	100,000.00
					530 TAC Storage/Booster Pump Station	1 ls	5,165	6,543,008.84	6,543,009	3,808,890	10,351,899.04	10,351,899	2.83		140,509.70	140,510	387,654.84	387,655	5,860,390.00	5,860,390	54,454.30	54,454	100,000.00	100,000.00
					30 Distribution Pipelines	1 lf	24,082	14,470,317.18	14,470,317	8,489,991	22,960,308.58	22,960,309	6.27		636,756.90	636,757	1,635,836.00	1,635,836	11,748,030.00	11,748,030	249,694.28	249,694	200,000.00	200,000.00
					05 Alternate 3A Modified- Phase 3A	1 LS	104,637	43,459,638.61	43,459,639	26,863,159	70,322,797.73	70,322,798	19.19		3,793,557.59	3,793,558	20,305,467.05	20,305,467	13,743,266.28	13,743,266	1,701,122.69	1,701,123	3,916,225.00	3,916,222
06					Alternate 3A Modified- Phase 3B																			
	10				Raw Water Supply																			
		600			10 MGD Pumps																			
			85		Electrical																			
				Div 25	Integrated Automation																			
					Instrumentation & Control	1 ls		50,000.00	50,000	28,805	78,805.46	78,805	0.02		-	-	-	-	50,000.00	50,000	-	-	-	-
					Div 25 Integrated Automation	1 ls		50,000.00	50,000	28,805	78,805.46	78,805	0.02						50,000.00	50,000				
				Div 26	Electrical																			
					Electrical	0 ls			150,000	86,416	236,416.38	236,416	0.06						150,000.00	150,000			-	-
					Div 26 Electrical	1 ls		150,000.00	150,000	86,416	236,416.38	236,416	0.06						150,000.00	150,000				
					85 Electrical	1 ls		200,000.00	200,000	115,222	315,221.84	315,222	0.09						200,000.00	200,000				
			90		Process Equipment																			
				Div 46	Water and Wastewater Equipment																			
					600 hp - Variable Frequency Drives	3 ea	210	155,036.79	465,110	298,917	254,675.64	764,027	0.21		3,036.79	9,110	152,000.00	456,000	-	-	-	-	-	-
					Vertical Turbine Pumps- 7000 gpm	3 ea	432	284,484.15	853,452	548,405	467,285.72	1,401,857	0.38		6,211.63	18,635	500.00	1,500	-	-	2,772.52	8,318	275,000.00	825,000.00
					Div 46 Water and Wastewater Equipment	1 ls	642	1,318,562.82	1,318,563	847,321	2,165,884.08	2,165,884	0.59		27,745.27	27,745	457,500.00	457,500	-	-	8,317.55	8,318	825,000.00	825,000.00
					90 Process Equipment	1 ls	642	1,318,562.82	1,318,563	847,321	2,165,884.08	2,165,884	0.59		27,745.27	27,745	457,500.00	457,500			8,317.55	8,318	825,000.00	825,000.00
			95		Pump Discharge Piping																			
				Div 33	Utilities																			
					Butterfly Valves MJ 24"	3 ea	39	6,578.42	19,735	12,618	10,784.35	32,353	0.01		589.68	1,769	5,929.23	17,788	-	-	59.51	179	-	-
					DI Flanged Joint Pipe 24"	24 lf	64	412.84	9,908	6,248	673.18	16,156	0.00		112.96	2,711	267.83	6,428	-	-	32.05	769	-	-
					Pipe Supports	3 ea	14	385.06	1,155	715	623.25	1,870	0.00		203.06	609	182.00	546	-	-	-	-	-	-
					Ball Valve 24" w/ motor operator	3 ea	120	36,756.31	110,269	70,729	60,332.63	180,998	0.05		1,692.20	5,077	35,000.00	105,000	-	-	64.10	192	-	-
					Div 33 Utilities	1 ls	238	141,067.53	141,068	90,310	231,377.03	231,377	0.06		10,165.75	10,166	129,761.69	129,762	-	-	1,140.09	1,140	-	-
					95 Pump Discharge Piping	1 ls	238	141,067.53	141,068	90,310	231,377.03	231,377	0.06		10,165.75	10,166	129,761.69	129,762			1,140.09	1,140		
					600 10 MGD Pumps	3 ea	880	553,210.12	1,659,630	1,052,853	904,160.98	2,712,483	0.74		12,637.01	37,911	195,753.90	587,262	66,666.67	200,000	3,152.55	9,458	275,000.00	825,000.00
		601			Intake Structure-Screens																			
			112		Raw Water Intake Structure																			
				Div 35	Waterway and Marine																			
					Mobilize & Demobilize Barges, Crane/Drilling Rig, Crew	1 ls	112	19,014.98	19,015	11,973	30,988.40	30,988	0.01		5,574.45	5,574			-	-	13,440.53	13,441	-	-
					Div 35 Waterway and Marine	1 ls	112	19,014.98	19,015	11,973	30,988.40	30,988	0.01		5,574.45	5,574					13,440.53	13,441		
				Div 46	Water and Wastewater Equipment																			
					Intake Screen, RAW Water, 72" disch, 336" OAL, 316L SS	2 ea	224	92,628.74	185,257	118,704	151,980.67	303,961	0.08		5,574.45	11,149	-	-			12,054.29	24,109	75,000.00	150,000.00
					Div 46 Water and Wastewater Equipment	1 ls	224	185,257.48	185,257	118,704	303,961.33	303,961	0.08		11,148.90	11,149					24,108.58	24,109	150,000.00	150,000.00
					112 Raw Water Intake Structure	2 ea	336	102,136.23	204,272	130,677	167,474.86	334,950	0.09		8,361.68	16,723					18,774.56	37,549	75,000.00	150,000.00
					601 Intake Structure-Screens	2 ea	336	102,136.23	204,272	130,677	167,474.86	334,950	0.09		8,361.68	16,723					18,774.56	37,549	75,000.00	150,000.00
					10 Raw Water Supply	1 ls	1,216	1,863,902.81	1,863,903	1,183,530	3,047,432.68	3,047,433	0.83		54,634.37	54,634	587,261.69	587,262	200,000.00	200,000	47,006.75	47,007	975,000.00	975,000.00
					06 Alternate 3A Modified- Phase 3B	1 LS	1,216	1,863,902.81	1,863,903	1,183,530	3,047,432.68	3,047,433	0.83		54,634.37	54,634	587,261.69	587,262	200,000.00	200,000	47,006.75	47,007	975,000.00	975,000.00
07					Alternate 4B																			
	10				Raw Water Supply																			
		700			Rawater Transmission Pipeline																			
			100		Open Cut Piping																			
				Div 31	Earthwork																			
					Trench Excav & Backfill 4- 8'	20,580 lf	5,927	22.95	472,320	293,198	37.20	765,518	0.21		11.04	227,189	-	-	-	-	11.91	245,132	-	-
					Utility Bed Sand	3,048 cy		17.25	52,578	33,840	28.35	86,418	0.02		0.00	0	17.25	52,578	-	-	0.00	0	-	-
					3500 psi Thrust Block Concrete- allowance	100 cy	75	138.37	13,837	8,773	226.10	22,610	0.01		27.99	2,799	110.38	11,038	-	-	-	-	-	-
					Silt Fence/Erosion Control Measures	20,580 lf		5.00	102,900	59,282	7.88	162,182	0.04		0.00	0	0.00	0	5.00	102,900	0.00	0	-	-
					Div 31 Earthwork	1 ls	6,002	641,635.13	641,635	395,092	1,036,727.27	1,036,727	0.28		229,987.49	229,987	63,616.13	63,616	102,900.00	102,900	245,131.51	245,132		
				Div 32	Exterior Improvements																			
					Asphalt Patching/Street Restoration	56 sy		50.00	2,800	1,613	78.81	4,413	0.00		-									

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
					10 Raw Water Supply	1 ls	11,431	1,269,059.02	1,269,059	782,325	2,051,384.06	2,051,384	0.56			488,046.40	488,046	327,162.89	327,163	166,975.00	166,975	286,874.73	286,875	
	20				Water Treatment Plant																			
		50			Sitework																			
			* unassigned *																					
				Div 31	Earthwork																			
					Selective Clearing & Grubbing	2 ac	85	3,187.07	6,374	3,945	5,159.41	10,319	0.00	30 ft wide.	1,660.86	3,322	-	-	-	-	1,526.21	3,052	-	-
					Site Grading, Cut & Fill	4 ac	384	7,373.31	29,493	18,255	11,937.14	47,749	0.01		3,825.32	15,301	-	-	-	-	3,547.99	14,192	-	-
					Silt Fence/Erosion Control Measures	1 ls		5,000.00	5,000	2,881	7,880.55	7,881	0.00		0.00	0	0.00	0	5,000.00	5,000	0.00	0	-	-
					Div 31 Earthwork	1 ls	469	40,867.37	40,867	25,081	65,947.92	65,948	0.02		18,623.01	18,623			5,000.00	5,000	17,244.36	17,244		
				Div 32	Exterior Improvements																			
					Misc.Site Improvements- cubs, sidewalks, fencing	1 ls		10,000.00	10,000	5,761	15,761.08	15,761	0.00		-	-	-	-	10,000.00	10,000	-	-	-	-
					Asphalt Paving (6"Base+2"Binder+1" Top)	500 sy		38.76	19,380	11,165	61.09	30,545	0.01		-	-	-	-	38.76	19,380	-	-	-	-
					Hydroseeding	4 ac		3,000.00	12,000	6,913	4,728.33	18,913	0.01		-	-	-	-	3,000.00	12,000	-	-	-	-
					Topsoil & Landscaping Allowance	1 ls		5,000.00	5,000	2,881	7,880.55	7,881	0.00		-	-	-	-	5,000.00	5,000	-	-	-	-
					Div 32 Exterior Improvements	1 ls		46,380.00	46,380	26,720	73,099.95	73,100	0.02						46,380.00	46,380				
					* unassigned *		469		87,247	51,801		139,048	0.04			18,623				51,380		17,244		
					50 Sitework	1 ls	469	87,247.37	87,247	51,801	139,047.87	139,048	0.04		18,623.01	18,623			51,380.00	51,380	17,244.36	17,244		
		710			2.5 MGD Treatment- 2 trains																			
			* unassigned *																					
				Div 03	Concrete																			
					Package TP Foundation- 40 ft.x 60 ft x 2 ft thick	178 cy	890	504.49	89,799	56,587	822.40	146,387	0.04		128.72	22,912	315.79	56,211	10.00	1,780	49.98	8,897	-	-
					Div 03 Concrete	178 cy	890	504.49	89,799	56,587	822.40	146,387	0.04		128.72	22,912	315.79	56,211	10.00	1,780	49.98	8,897		
				Div 46	Water and Wastewater Equipment																			
					Package WTP- 2.0 MGD	2 ea	480	697,418.95	1,394,838	896,700	1,145,769.08	2,291,538	0.63	1400 gpm each. Per vendor quote.	10,844.78	21,690	1,000.00	2,000	0.00	0	5,574.18	11,148	680,000.00	1,360,00
					Ozone Genrator Package System- 1.25 MGD	2 ea	192	480,167.58	960,335	617,668	789,001.81	1,578,004	0.43	Per vendor quote.	4,337.91	8,676	1,000.00	2,000	-	-	2,229.67	4,459	472,600.00	945,20
					Div 46 Water and Wastewater Equipment	1 ls	672	2,355,173.07	2,355,173	1,514,369	3,869,541.77	3,869,542	1.06		30,365.38	30,365	4,000.00	4,000			15,607.69	15,608	2,305,200.00	2,305,20
					* unassigned *		1,562		2,444,973	1,570,956		4,015,928	1.10			53,277				1,780	24,505	2,305,200.00	2,305,20	
					710 2.5 MGD Treatment- 2 trains	1 ls		2,444,972.50	2,444,973	1,570,956	4,015,928.48	4,015,928	1.10		53,277.08	53,277	60,210.53	60,211	1,780.00	1,780	24,504.89	24,505	2,305,200.00	2,305,20
		715			Ground Storage Tanks																			
			* unassigned *																					
				Div 03	Concrete																			
					Tank Foundation- 80 ft dia.x 2 ft thick- 2 ea.	745 cy	3,725	504.49	375,846	236,840	822.40	612,686	0.17		128.72	95,894	315.79	235,263	10.00	7,450	49.98	37,238	-	-
					Booster Pumps Foundation- 20 ft.x 20 ft x 2 ft thick- 2 ea.	60 cy	300	504.49	30,269	19,074	822.40	49,344	0.01		128.72	7,723	315.79	18,947	10.00	600	49.98	2,999	-	-
					Div 03 Concrete	805 cy	4,025	504.49	406,115	255,914	822.40	662,030	0.18		128.72	103,618	315.79	254,211	10.00	8,050	49.98	40,237		
				Div 13	Special Construction																			
					Pre-Engineered Metal Canopy- 20'x20'- 2 ea.	800 sf		25.00	20,000	11,522	39.40	31,522	0.01		-	-	-	-	25.00	20,000	-	-	-	-
					Div 13 Special Construction	1 ls		20,000.00	20,000	11,522	31,522.18	31,522	0.01						20,000.00	20,000				
				Div 33	Utilities																			
					DI MJ Std Wgt Fittings 14"	16 ea	78	571.80	9,149	5,731	929.96	14,879	0.00		207.30	3,317	364.50	5,832	-	-	-	-	-	-
					Precast Vaults	2 ea	112	8,373.40	16,747	10,570	13,658.43	27,317	0.01		2,192.72	4,385	3,500.00	7,000	-	-	2,680.68	5,361	-	-
					Butterfly Valves MJ 14																			

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl 1	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
					Div 33 Utilities	1 ls	488	85,232.82	85,233	53,870	139,102.59	139,103	0.04		20,775.86	20,776	59,532.63	59,533			4,924.33	4,924		
				Div 46	Water and Wastewater Equipment																			
					60 hp - Variable Frequency Drives	3 ea	107	14,418.12	43,254	27,618	23,624.16	70,872	0.02		1,549.37	4,648	12,868.75	38,606	-	-	-	-	-	-
					Vertical Can Pump- 800 gpm	3 ea	144	78,121.85	234,366	150,531	128,298.75	384,896	0.11		2,168.96	6,507	-	-	-	-	952.89	2,859	75,000.00	225,000
					Div 46 Water and Wastewater Equipment	1 ls	251	277,619.90	277,620	178,149	455,768.75	455,769	0.12		11,154.98	11,155	38,606.25	38,606			2,858.67	2,859	225,000.00	225,000
					* unassigned *		2,333		552,520	348,493		901,013	0.25			74,780		172,981		52,771	26,989		225,000	
					720 High Service Pump Station	1 ls	2,333	552,520.03	552,520	348,493	901,012.96	901,013	0.25		74,779.60	74,780	172,980.99	172,981	52,770.50	52,771	26,988.94	26,989	225,000.00	225,000
		721		* unassigned *	Electrical & Instrumentation																			
				Div 25	Integrated Automation																			
					Instrumentation & Control	1 ls		200,000.00	200,000	115,222	315,221.84	315,222	0.09		-	-	-	-	200,000.00	200,000	-	-	-	-
					Div 25 Integrated Automation	1 ls		200,000.00	200,000	115,222	315,221.84	315,222	0.09						200,000.00	200,000				
				Div 26	Electrical																			
					Electrical	1 ls		660,000.00	660,000	380,232	1,040,232.09	1,040,232	0.28						660,000.00	660,000			-	-
					Div 26 Electrical	1 ls		660,000.00	660,000	380,232	1,040,232.09	1,040,232	0.28						660,000.00	660,000			-	-
					* unassigned *				860,000	495,454		1,355,454	0.37										-	-
					721 Electrical & Instrumentation	1 ls		860,000.00	860,000	495,454	1,355,453.93	1,355,454	0.37						860,000.00	860,000			-	-
					20 Water Treatment Plant	1 ls	8,914	6,511,595.22	6,511,595	3,975,895	10,487,490.59	10,487,491	2.86		272,286.26	272,286	600,059.10	600,059	2,993,980.50	2,993,981	115,069.36	115,069	2,530,200.00	2,530,200
					Distribution Pipelines																			
		725			Queen City, Atlanta & Domino Pipelines																			
			100		Open Cut Piping																			
				Div 31	Earthwork																			
					Trench Excav & Backfill 4- 8'	58,000 lf	16,704	22.95	1,331,125	826,311	37.20	2,157,437	0.59		11.04	640,279	-	-	-	-	11.91	690,847	-	-
					Utility Bed Sand	8,592 cy		17.25	148,212	95,391	28.35	243,603	0.07				17.25	148,212	-	-	-	-	-	-
					3500 psi Thrust Block Concrete	150 cy	113	138.37	20,756	13,159	226.10	33,915	0.01		27.99	4,198	110.38	16,557	-	-	-	-	-	-
					Silt Fence/Erosion Control Measures	58,000 lf		5.00	290,000	167,072	7.88	457,072	0.12						5.00	290,000			-	-
					Div 31 Earthwork	1 ls	16,817	1,790,093.10	1,790,093	1,101,933	2,892,025.83	2,892,026	0.79		644,477.09	644,477	164,769.19	164,769	290,000.00	290,000	690,846.82	690,847		
				Div 32	Exterior Improvements																			
					Asphalt Patching/Street Restoration	445 sy		50.00	22,250	12,818	78.81	35,068	0.01	50 repairs, average 20 ft long.	-	-	-	-	50.00	22,250	-	-	-	-
					Saw Cut Asphalt in Street Before Trench Excavation	8,000 inft		0.85	6,800	3,918	1.34	10,718	0.00	50 repairs, average 20 ft long.	-	-	-	-	0.85	6,800	-	-	-	-
					Hydroseeding/ROW Restoration	24 ac		3,000.00	72,000	41,480	4,728.33	113,480	0.03		-	-	-	-	3,000.00	72,000	-	-	-	-
					Div 32 Exterior Improvements	1 ls		101,050.00	101,050	58,216	159,265.83	159,266	0.04						101,050.00	101,050				
				Div 33	Utilities																			
					2" Air Release/Vaccum Valve	12 ea	15	1,554.34	18,652	11,974	2,552.15	30,626	0.01		54.34	652	1,500.00	18,000	-	-	-	-	-	-
					DI Pipe Push - Class 52 12	58,000 lf	17,980	61.17	3,547,655	2,240,925	99.80	5,788,580	1.58		15.38	892,183	45.78	2,655,472	-	-	-	-	-	-
					DI RJ Std Wgt Fittings 12"- allowance	115 ea	463	1,219.63	140,257	89,180	1,995.10	229,437	0.06		199.63	22,957	1,020.00	117,300	-	-	-	-	-	-
					Unload & Shake Out DIP	58,000 lf	2,017	2.77	160,374	99,491	4.48	259,865	0.07		1.35	78,468			-	-	1.41	81,906	-	-
					Hydrostatic Testing - 2-12"	58,000 lf	1,392	1.13	65,266	39,132	1.80	104,398	0.03		1.04	60,510	0.08	4,756	-	-	-	-	-	-
					Chlorination	58,000 lf		0.10	5,800	3,733	0.16	9,533	0.00				0.10	5,800	-	-	-	-	-	-
					Precast Vaults	1 ea	56	9,873.40	9,873	6,250	16,123.85	16,124	0.00		</									

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	CSI Lvl	Description	Takeoff Quantity	Labor Man Hrs	Total Cost/Unit	Total Cost	Addon Amount	Grand Total Unit Price	Grand Total	Percent of Total	Notes	Labor Cost/Unit	Total Labor	Material Cost/Unit	Total Material	Sub Cost/Unit	Total Sub	Constr Equip Cost/Unit	Total Construc Equipment	Process Equip Cost/Unit	Total Process Equip.
					Div 46 Water and Wastewater Equipment	1 ls	223	281,096.74	281,097	180,458	461,554.89	461,555	0.13		9,648.40	9,648	69,600.00	69,600			1,848.34	1,848	200,000.00	200,00
					115 Storage Tank Sites	1 ls	3,462	1,974,619.26	1,974,619	1,179,214	3,153,833.35	3,153,833	0.86		106,251.96	106,252	333,520.21	333,520	1,283,290.00	1,283,290	51,557.09	51,557	200,000.00	200,00
					750 Queen City and Atlanta Storage/Booster Pumps Stations	1 ls	3,462	1,974,619.26	1,974,619	1,179,214	3,153,833.35	3,153,833	0.86		106,251.96	106,252	333,520.21	333,520	1,283,290.00	1,283,290	51,557.09	51,557	200,000.00	200,00
					30 Distribution Pipelines	58,000 lf	43,059	141.67	8,216,672	5,065,543	229.00	13,282,215	3.63		31.61	1,833,373	57.48	3,333,541	34.66	2,010,340	14.47	839,417	3.45	200,00
					07 Alternate 4B	1 LS	63,404	15,997,326.43	15,997,326	9,823,763	25,821,089.53	25,821,090	7.05		2,593,706.09	2,593,706	4,260,763.39	4,260,763	5,171,295.50	5,171,296	1,241,361.45	1,241,361	2,730,200.00	2,730,20

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

Estimate Totals

Description	Amount	Totals	Hours	Rate	rcent of Total
Labor	26,019,951		661,297 hrs		7.10%
Material	84,587,639				23.09%
Subcontract	83,681,772				22.84%
Construction Equipment	12,663,795		343,384 hrs		3.46%
Process Equip	20,142,147				5.50%
Subtotal	227,095,304	227,095,304 USD			61.98
Mobilization/Demobilization	2,270,953			1.00 %	0.62%
Small Tools & Equipment	390,299			1.50 %	0.11%
Safety Supplies & Equipment	130,100			0.50 %	0.04%
Sales Tax- Bowie County	7,924,067			6.75 %	2.16%
Subtotal	10,715,419	237,810,723 USD			2.92
General Conditions	22,709,530			10.00 %	6.20%
General Conditions Subtotal	22,709,530	260,520,253 USD			6.20
Permits	651,301			0.25 %	0.18%
Performance & Payment Bond	3,663,715			1.00 %	1.00%
Builder's Risk Insurance	651,301			0.25 %	0.18%
Permits, Ins, & Bonds Subtotal	4,966,317	265,486,570 USD			1.36
Escalation- NOT INCLUDED					
Subtotal		265,486,570 USD			
Contingency (%)	53,097,314			20.00 %	14.49%
Subtotal	53,097,314	318,583,884 USD			14.49
Contractor Overhead & Profit	47,787,582			15.00 %	13.04%
GC OH&P Subtotal	47,787,582	366,371,466 USD			13.04
Total		366,371,466 USD			



July 20, 2018

PROJECT: Water Supply Project
CLIENT: Riverbend Water Resources District
LOCATION: Texarkana, TX
DOCUMENT LEVEL: Conceptual Design
ESTIMATE NO: 18-043
BY: Bill Bachman

OPINION OF PROBABLE CONSTRUCTION COST CONCEPTUAL
DESIGN ESTIMATE

1. This Opinion of Probable Construction Cost Level 3 Estimate is based on information provided for seven phases of water supply expansion. The scope of work is based on the items described in the detailed cost estimate.
2. General Contractor Field Overhead and General Conditions are included at the rate of 10%.
3. Estimate is based on 2018 construction costs. Cost escalation for the work to be performed in future phases is not included.
4. Permits are included the rate of .25%.
5. All Risk Insurance is included at the rate of .25%.
6. Performance and Payment Bonds are included at the rate of 1%.
7. General Contractor Overhead and Profit is included at the rate of 15%.
8. Contingency costs are included at a rate of 20%.
9. Wage Rates are based on local Texarkana, TX Davis Bacon craft rates.
10. Shoring systems of soldier piles, timber lagging and drilled tie backs are included for wet well pump station excavations.
11. Dewatering of the pump station excavations are included using deep wells located around the perimeter of the shoring and discharging to grade.
12. Concrete coatings are not included.
13. Rock excavation is not included.
14. Start-up and commissioning costs are not included.
15. Due to lack of soils information at this time, all water storage tanks to be supported by 2 ft. thick concrete slabs on grade.
16. An allowance for the construction of an access road to the site location of the new wet well pump station is included at \$800,000.
17. The Riverbend Tie-in to New Boston 30" distribution line costs are based on replacing 75% of the existing line.

**ARESTIMATING
BASIS OF ESTIMATE**

18. The New Boston Road WTP demolition costs do not include site restoration of surfaces or any type of site improvements after demolition.
19. The raw water lines from the Lake to the pump station/wet well to be installed using 72" micro-tunneling technology. Two (2) 3000 LF 72" steel pipe lines are included. The pump station/wet well structure to be utilized for the launch pit for the TBM with one intermediate vertical shaft required at halfway along the length of each 3000 ft. line.
20. Owner related management costs and land acquisition costs are not included.
21. Other applicable detailed notes and clarifications are included in the body of the cost estimate report.

The enclosed Opinion of Probable Cost is only an estimate of possible construction costs for budgeting purposes. This estimate is limited to the conditions existing at issuance and is not a guaranty of actual price or cost. Uncertain market conditions such as, but not limited to; local labor or contractor availability, wages, other work, material market fluctuations, price escalations, force majeure events and developing bidding conditions, etc. may affect the accuracy of this estimate. AECOM is not responsible for any variance from this Opinion of Probable Cost or actual prices and conditions obtained.

Summary Sheet

2020-059 ATTH 01

6.3.c

RBWD - New 25MGD WTP	Initial State
Power	\$2,684,153
Chemicals	\$1,315,972
Labor	\$1,695,832
Sludge Disposal	\$288,756
TOTAL ANNUAL COST	\$5,984,713

This is raw water pump station and water treatment plant combined

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water Supply Contract

Position or Name	Direct Salaries	Direct Salaries + OT&Standby	Fully Burdened Cost
Plant Manager (CI B+)	\$120,000	\$124,800	\$172,224
O&M Lead (CI C+)	\$80,000	\$83,200	\$114,816
O Technician (CI C+)	\$65,000	\$67,600	\$93,288
O Technician (CI C+)	\$65,000	\$67,600	\$93,288
O Technician (CI D+)	\$65,000	\$67,600	\$93,288
O Technician	\$65,000	\$67,600	\$93,288
O Technician	\$65,000	\$67,600	\$93,288
O&M Technician	\$65,000	\$67,600	\$93,288
O&M Technician	\$65,000	\$67,600	\$93,288
O&M Technician	\$65,000	\$67,600	\$93,288
O&M Technician	\$65,000	\$67,600	\$93,288
O&M Technician	\$65,000	\$67,600	\$93,288
O&M Technician	\$65,000	\$67,600	\$93,288
I&C Specialist	\$80,000	\$83,200	\$114,816
Lab Lead	\$80,000	\$83,200	\$114,816
Lab Technician	\$65,000	\$67,600	\$93,288
Lab Technician	\$65,000	\$67,600	\$93,288
Administrative Assistant	\$41,600	\$43,264	\$59,704
TOTAL	\$1,181,600	\$1,228,864	\$1,695,832

Raw Water Demand (avg): 10 MGD
 WTP Plant Capacity: 25 MGD
 Average annual production: 17.5 MGD
 Power cost: \$ 0.07 per kWh

Area	Annual Power, kWh/yr	Power Cost, \$/yr
Raw Water Pump Station	11,168,620	\$ 781,803
Process Equipment	2,835,360	\$ 198,475
Chemical Storage & Feed Systems	328,500	\$ 22,995
Ozone	15,342,264	\$ 1,073,958
High Service Pumping	5,385,295	\$ 376,971
Site Utilities	1,642,500	\$ 114,975
Admin Building	1,642,500	\$ 114,975
TOTALS	38,345,039	\$ 2,684,153

Chemical	% wt	SG	Cost per pound	Average Dose (mg/L)	Annual Cost
LOX	100% gas		\$60.0/Ton	15lbs/lb ozone	\$71,917
Ozone	8% gas		4kWh/lb 3mg/L at 17.5MGD	3 mg/L	Cost in 'Power'
Ferric Sulfate	40.00%	1.500	\$0.670	20 mg/L	\$713,841
Coagulant Aid Polymer	100.00%	1.250	\$0.243	1 mg/L	\$12,945
Liquid Ammonium Sulfate	40.00%	1.220	\$0.450	1 mg/L	\$23,972
Sodium Hypochlorite	12.50%	1.100	\$0.300	5 mg/L	\$239,723
Lime	30.00%	1.500	\$0.200	10 mg/L	\$106,544
Orthophosphate	15.00%	1.460	\$0.560	1 mg/L	\$29,832
Potassium Permanganate	98%		\$ 2.20	1 mg/L	\$117,198

Annual Chemical
Cost

\$1,315,972

	Solids (Lbs/Day, Dry)	Wet Solids (yd3/day)	Trucks per year	Annual Avg Trip Fee	Annual Avg Tipping Fee	Annual Cost
DT/Yr	7530	3	134	\$ 100,500	\$ 188,256	\$ 288,756
	1374					

Assumptions

Truck Capacity: 9 yd³
 Cost per truck trip: \$750 /trip
 Tipping Fee: \$25 /ton
 Density: 85 PCF

Summary Sheet

RWRD - New Cass Co. 2.5MGD WTP	Initial State
Power	\$260,682
Chemicals	\$131,597
Labor	\$698,368
Sludge Disposal	\$29,326
TOTAL ANNUAL COST	\$1,119,973

Staffing

Position or Name	Direct Salaries	Direct Salaries + OT&Standby	Fully Burdened Cost
Plant Manager (CI B+)	\$120,000	\$124,800	\$172,224
O Technician (CI C+)	\$65,000	\$67,600	\$93,288
O Technician (CI C+)	\$65,000	\$67,600	\$93,288
O&M Technician	\$65,000	\$67,600	\$93,288
O&M Technician	\$65,000	\$67,600	\$93,288
I&C Specialist	\$65,000	\$67,600	\$93,288
Administrative Assistant	\$41,600	\$43,264	\$59,704
TOTAL	\$486,600	\$506,064	\$698,368

Power

Raw Water Demand (avg): 0 MGD
 WTP Plant Capacity: 2.5 MGD
 Average annual production: 1.75 MGD
 Power cost: \$ 0.07 per kWh

Area	Annual Power, kWh/yr	Power Cost, \$/yr
Raw Water Pump Station	710,730	\$ 49,751
Process Equipment	283,536	\$ 19,848
Chemical Storage & Feed Systems	328,500	\$ 22,995
Ozone	1,534,226	\$ 107,396
High Service Pumping	538,529	\$ 37,697
Site Utilities	164,250	\$ 11,498
Misc	164,250	\$ 11,498
TOTALS	3,724,022	\$ 260,682

Chemicals

Chemical	% wt	SG	Cost per pound	Average Dose (mg/L)	Annual Cost
LOX	100% gas		\$60.0/Ton	15lbs/lb ozone	\$7,192
Ozone	8% gas		4kWh/lb 3mg/L at 17.5MGD	3 mg/L	Cost in 'Power'
Ferric Sulfate	40.00%	1.500	\$0.670	20 mg/L	\$71,384
Coagulant Aid Polymer	100.00%	1.250	\$0.243	1 mg/L	\$1,295
Liquid Ammonium Sulfate	40.00%	1.220	\$0.450	1 mg/L	\$2,397
Sodium Hypochlorite	12.50%	1.100	\$0.300	5 mg/L	\$23,972
Lime	30.00%	1.500	\$0.200	10 mg/L	\$10,654
Orthophosphate	15.00%	1.460	\$0.560	1 mg/L	\$2,983
Potassium Permanganate	98%		\$ 2.20	1 mg/L	\$11,720
Annual Chemical Cost					\$131,597

Sludge Disposal

	Solids (Lbs/Day, Dry)	Wet Solids (yd3/day)	Trucks per year	Annual Avg Trip Fee	Annual Avg Tipping Fee	Annual Cost
	753	0	14	\$ 10,500	\$ 18,826	\$ 29,326

DT/Yr 137

Assumptions

Truck Capacity:

9 yd³

Cost per truck trip:

\$750 /trip

Tipping Fee:

\$25 /ton

Density:

85 PCF

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

Cost Summary

RWRD Water Supply Project

AECOM

7/24/2018

					Capital Cost					Annual Costs				
					Engrg, Feas, Legal, Finance, Bond Counsel (20% Constr.) ¹	Power Connection (capital) ²	Land Acquisition and Survey ³	Interest During Construction ⁴	Total Capital Cost	Raw Water Transfer and TAC WTP - O&M	Cass Co. 2.5 MGD WTP	Distribution Pumping Costs	Debt Service ⁵	Total Annual
Phase 1A	Subtotal	20% Contingency	Const. Subtotal											
Access Roadway	\$ 667,000	\$ 133,000	\$ 800,000											
Intake	\$ 23,425,000	\$ 4,685,000	\$ 28,110,000											
Pump Station	\$ 8,267,000	\$ 1,653,000	\$ 9,920,000											
Raw Water Line	\$ 27,743,000	\$ 5,548,000	\$ 33,291,000											
		Raw Water System	72,121,000		\$ 14,425,000									
Distribution	\$ 10,858,000	\$ 2,172,000	\$ 13,030,000		\$ 2,606,000									
			\$ 85,151,000	1A	\$ 17,031,000	\$ 1,095,000	\$ 402,000	\$ 22,514,000	\$ 126,193,000	\$ -	\$ -	\$ -	\$ -	\$ -
Phase 1B														
WTP (25 MGD)	\$ 43,452,000	\$ 8,690,000	\$ 52,142,000											
		Water Treatment	\$ 52,142,000		\$ 10,429,000									
Distribution	\$ 43,383,000	\$ 8,677,000	\$ 52,060,000		\$ 10,412,000									
			\$ 104,202,000	1B	\$ 20,841,000	\$ -	\$ -	\$ -	\$ 125,043,000	\$ 5,985,000	\$ -	\$ 111,000	\$ 10,951,000	\$ 17,047,000
Phase 2A														
Raw Water	\$ 279,000	\$ 56,000	\$ 335,000											
WTP (28 MGD)	\$ 316,000	\$ 63,000	\$ 379,000											
New Boston Demo	\$ 2,763,000	\$ 553,000	\$ 3,316,000											
		Raw Water and Trt System	\$ 4,030,000		\$ 806,000									
Distribution	\$ 30,088,000	\$ 6,017,000	\$ 36,105,000		\$ 7,221,000									
			\$ 40,135,000	2A	\$ 8,027,000	\$ 173,000	\$ -	\$ 4,793,000	\$ 53,128,000	\$ 5,985,000	\$ -	\$ 258,000	\$ 2,321,000	\$ 8,564,000
Phase 2B														
Raw Water	\$ 734,000	\$ 147,000	\$ 881,000											
WTP (30 MGD)	\$ 888,000	\$ 178,000	\$ 1,066,000											
		Raw Water and Trt System	\$ 1,947,000		\$ 390,000									
Distribution	\$ 17,317,000	\$ 3,463,000	\$ 20,780,000		\$ 4,156,000									
			\$ 37,701,000	2B	\$ 7,541,000	\$ 86,000	\$ -	\$ 4,502,000	\$ 49,830,000	\$ 6,798,000	\$ -	\$ 405,000	\$ 2,181,000	\$ 9,384,000
Phase 3A														
Raw Water PS	\$ 5,190,000	\$ 1,038,000	\$ 6,228,000											
Raw Water Pipeline	\$ 27,719,000	\$ 5,544,000	\$ 33,263,000											
WTP (30 MGD)	\$ 6,561,000	\$ 1,312,000	\$ 7,873,000											
		Raw Water and Trt System	\$ 47,364,000		\$ 9,473,000									
Distribution	\$ 19,134,000	\$ 3,827,000	\$ 22,961,000		\$ 4,593,000									
			\$ 70,325,000	3A	\$ 14,066,000	\$ 116,000	\$ -	\$ 8,397,000	\$ 92,904,000	\$ 7,857,000	\$ -	\$ 479,000	\$ 4,067,000	\$ 12,403,000
Phase 3B														
Raw Water Supply	\$ 2,539,000	\$ 508,000	\$ 3,047,000		\$ 610,000									
			\$ 3,047,000	3B	\$ 610,000	\$ -	\$ -	\$ 364,000	\$ 4,021,000	\$ 7,857,000	\$ -	\$ 479,000	\$ 177,000	\$ 8,513,000
Phase 4B														
Raw Water Pipeline	\$ 1,709,000	\$ 342,000	\$ 2,051,000											
WTP (2.5 MGD)	\$ 8,740,000	\$ 1,748,000	\$ 10,488,000											
		Raw Water and Trt System	\$ 12,539,000		\$ 2,508,000									
Distribution	\$ 11,068,000	\$ 2,214,000	\$ 13,282,000		\$ 2,657,000									
			\$ 25,821,000	4B	\$ 5,165,000	\$ 108,000	\$ 35,000	\$ 3,084,000	\$ 34,213,000	\$ -	\$ 1,120,000	\$ -	\$ 1,494,000	\$ 2,614,000
Total	\$ 305,318,000	\$ 61,064,000	\$ 366,382,000		\$ 73,281,000	\$ 1,578,000	\$ 437,000	\$ 43,654,000	\$ 485,332,000					
					Capital Cost					Annual Costs				

¹ Calculated according to Section 7 of Susan Roth Consulting report

² Power Connections are calculated at \$150 per HP

³ 139 Acres at \$2,850/acre, plus 10% of cost for survey, from Susan Roth Consulting Report.

Price per acre was taken per TWDB Unified Cost Model reference of Texas A&M Real Estate Center

⁴ Assuming 4% interest for 3 years with a 1% ROI.

⁵ Debt service is calculated assuming 4% interest for 30 years.

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

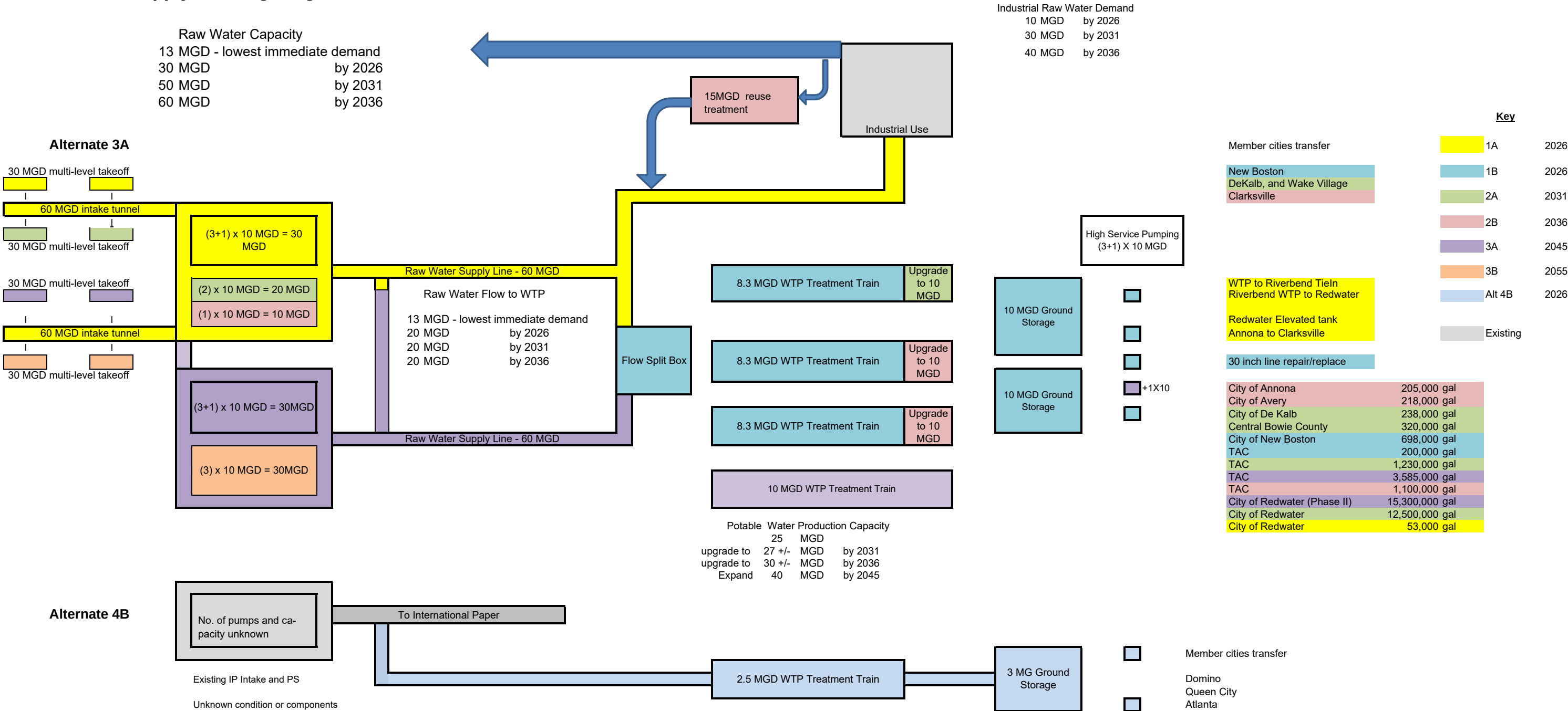


Appendix B

Phasing Diagram

System Alignment Diagrams

RWRD Water Supply Phasing Diagram



System Alignment Diagrams

Raw Water Intake Line

Pipeline Alignment

1.2MG and 3.5 MG (Phase I) TAC-200,000gal Redwater Booster Tank Site 3 Proposed WTP

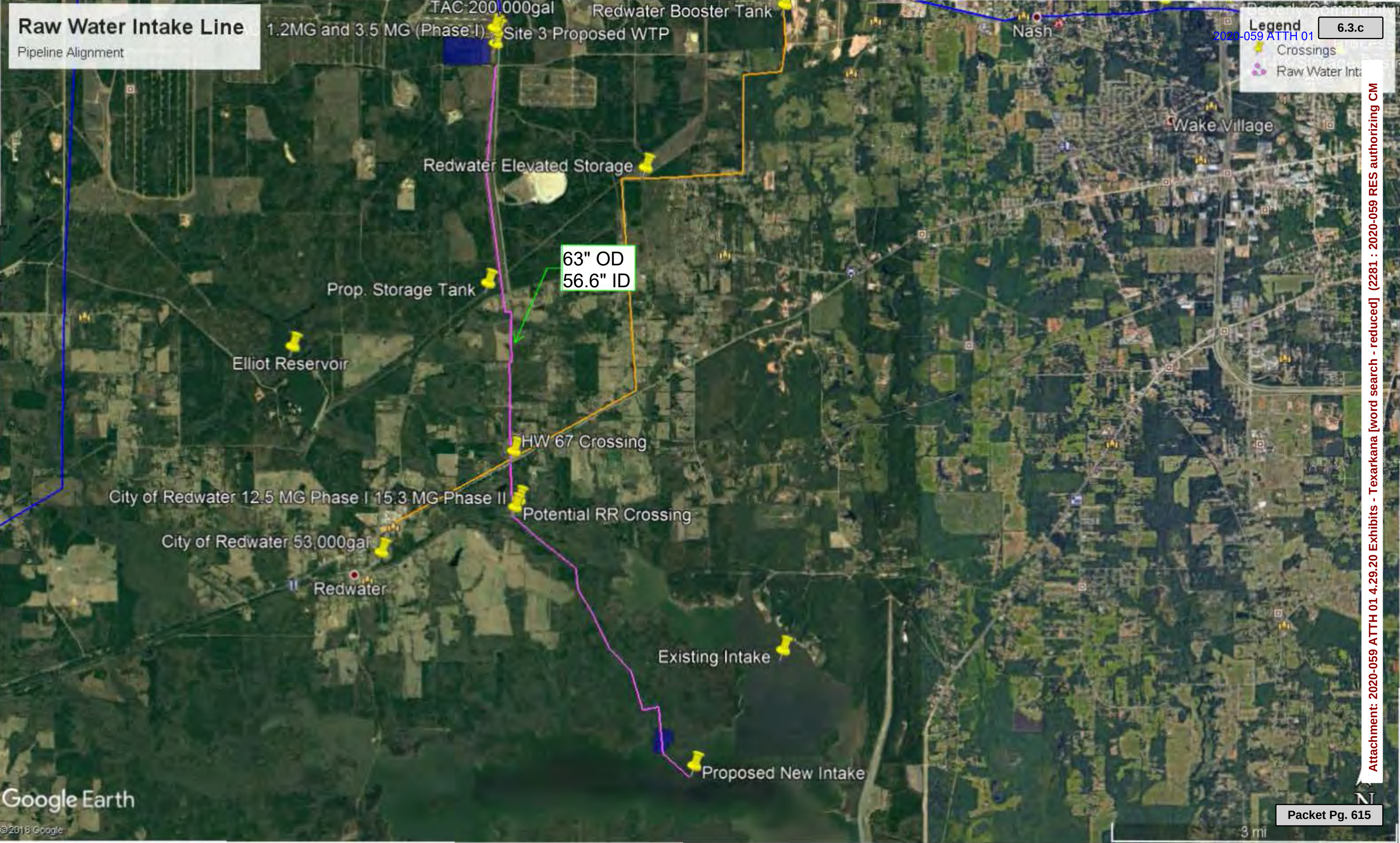
2020-059 ATTH 01

6.3.c

Legend

Crossings

Raw Water Intake



RWRD WTP to Redwater

Pipeline Alignment

Legend

2020-059 ATTH 01

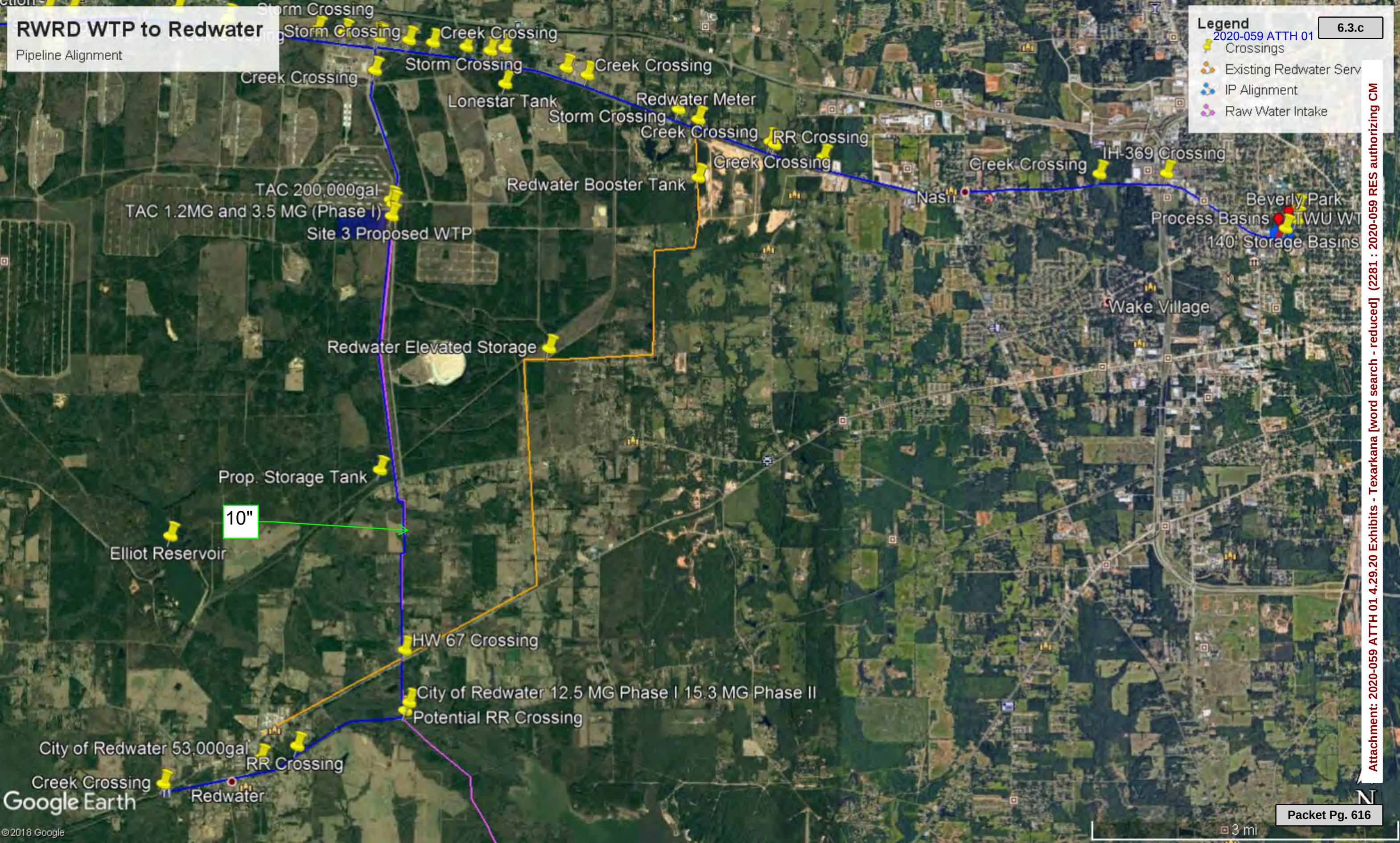
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Crossings

Existing Redwater Serv

IP Alignment

Raw Water Intake



Leary to Texarkana

Pipeline Alignment

Legend

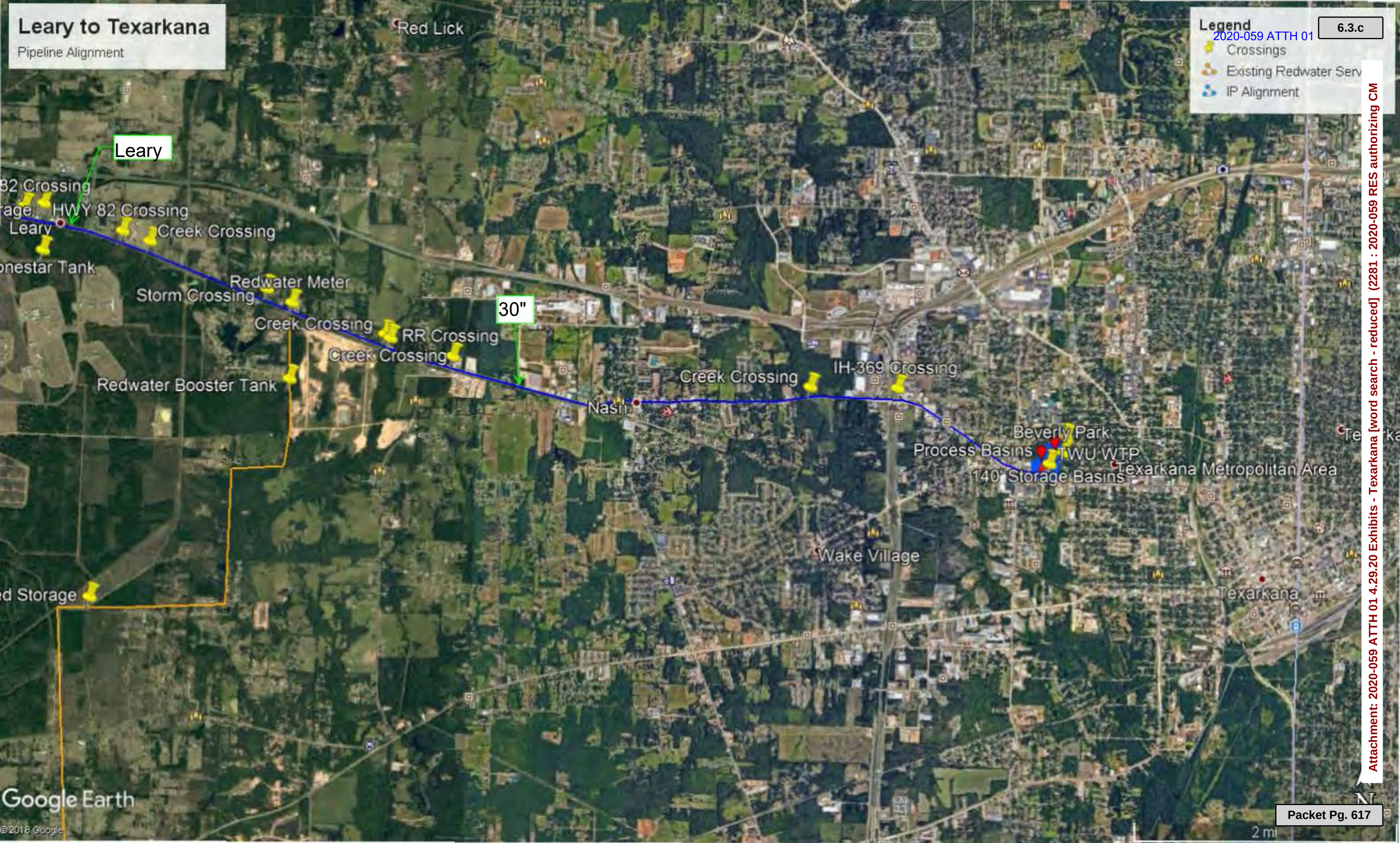
2020-059 ATTH 01

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Crossings

Existing Redwater Serv

IP Alignment

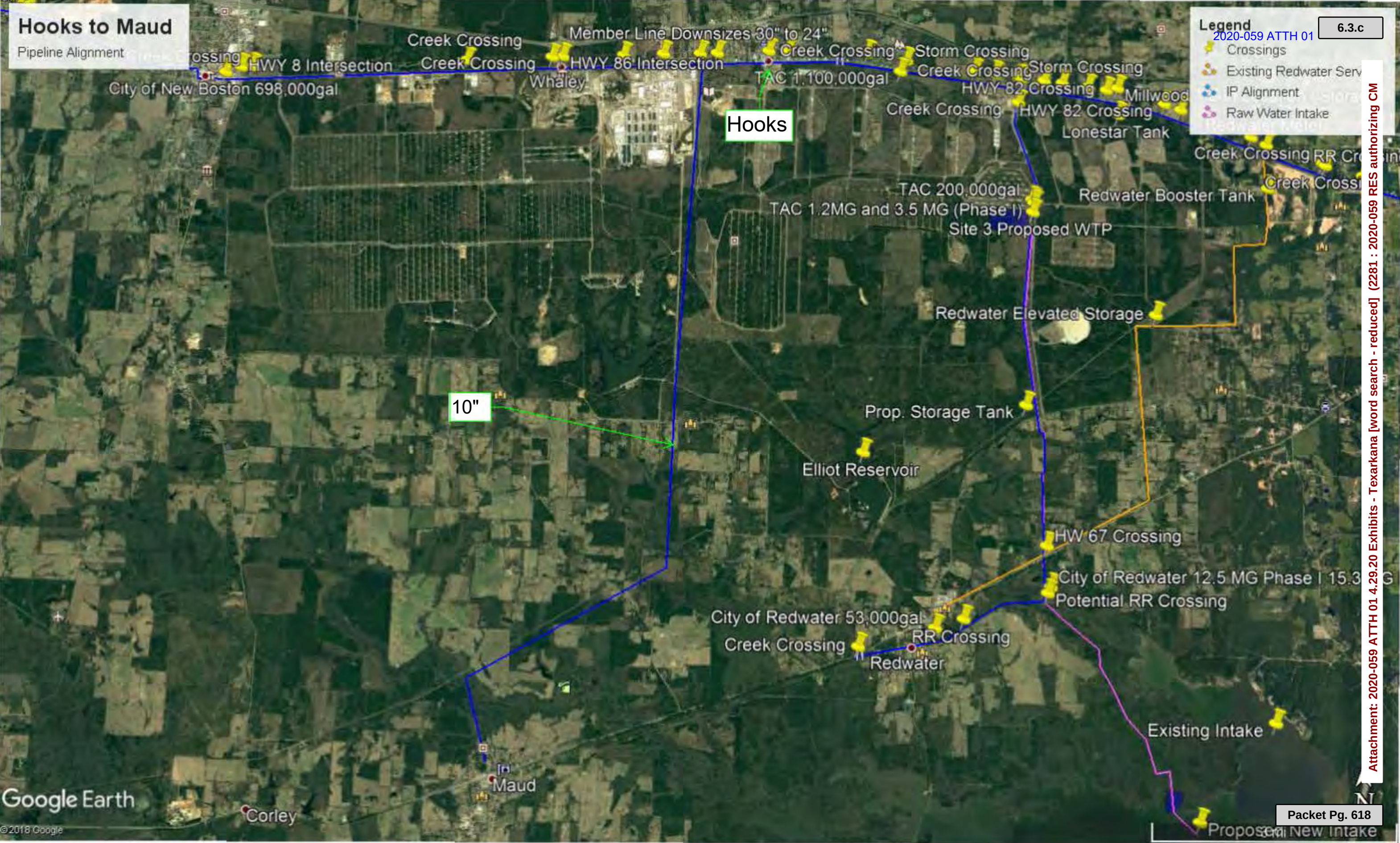


Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM

Hooks to Maud
Pipeline Alignment

Legend
2020-059 ATTH 01
6.3.c

- Crossings
- Existing Redwater Serv
- IP Alignment
- Raw Water Intake



Hooks to New Boston

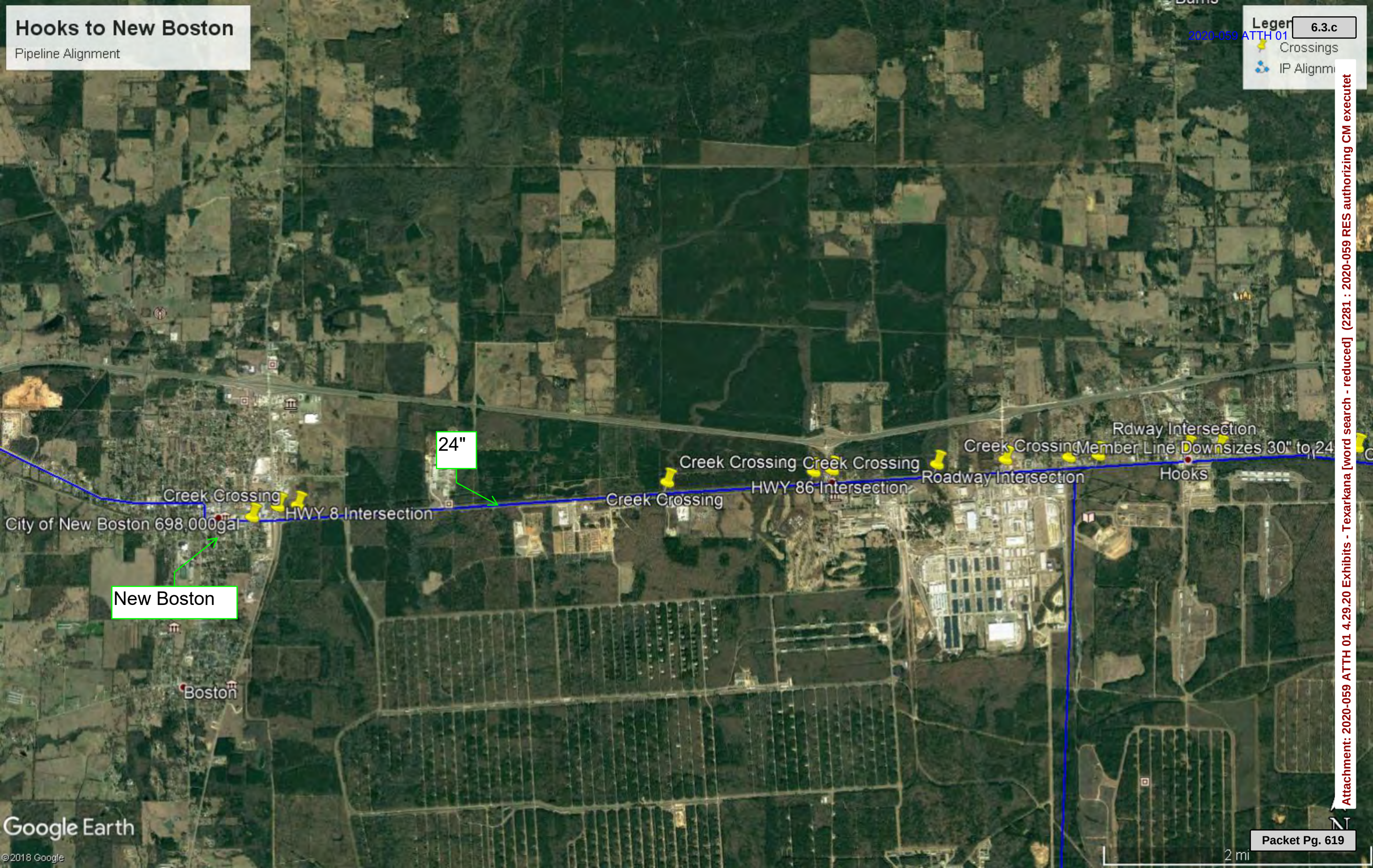
Pipeline Alignment

Leger 6.3.c

2020-059 ATTH 01

Crossings

IP Alignment



24"

Creek Crossing

City of New Boston 698,000gal

New Boston

Boston

Creek Crossing

Creek Crossing

Creek Crossing

HWY 86 Intersection

Roadway Intersection

Creek Crossing

Rdway Intersection

Hooks

Member Line Downsizes 30" to 24"

New Boston to De Kalb

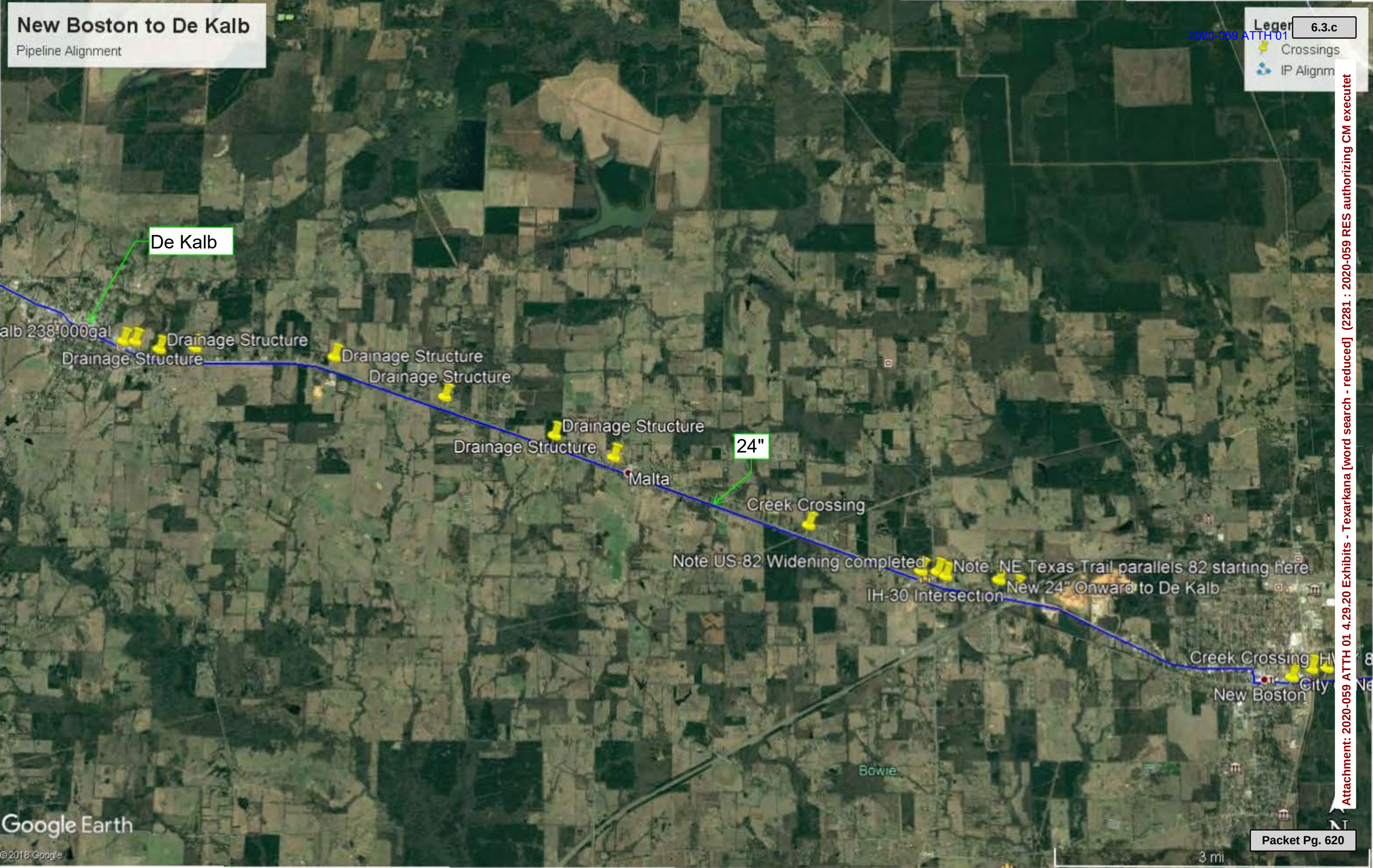
Pipeline Alignment

2020-059 ATTH 01

6.3.c

 Crossings

 IP Alignm



De Kalb to Avery
Pipeline Alignment

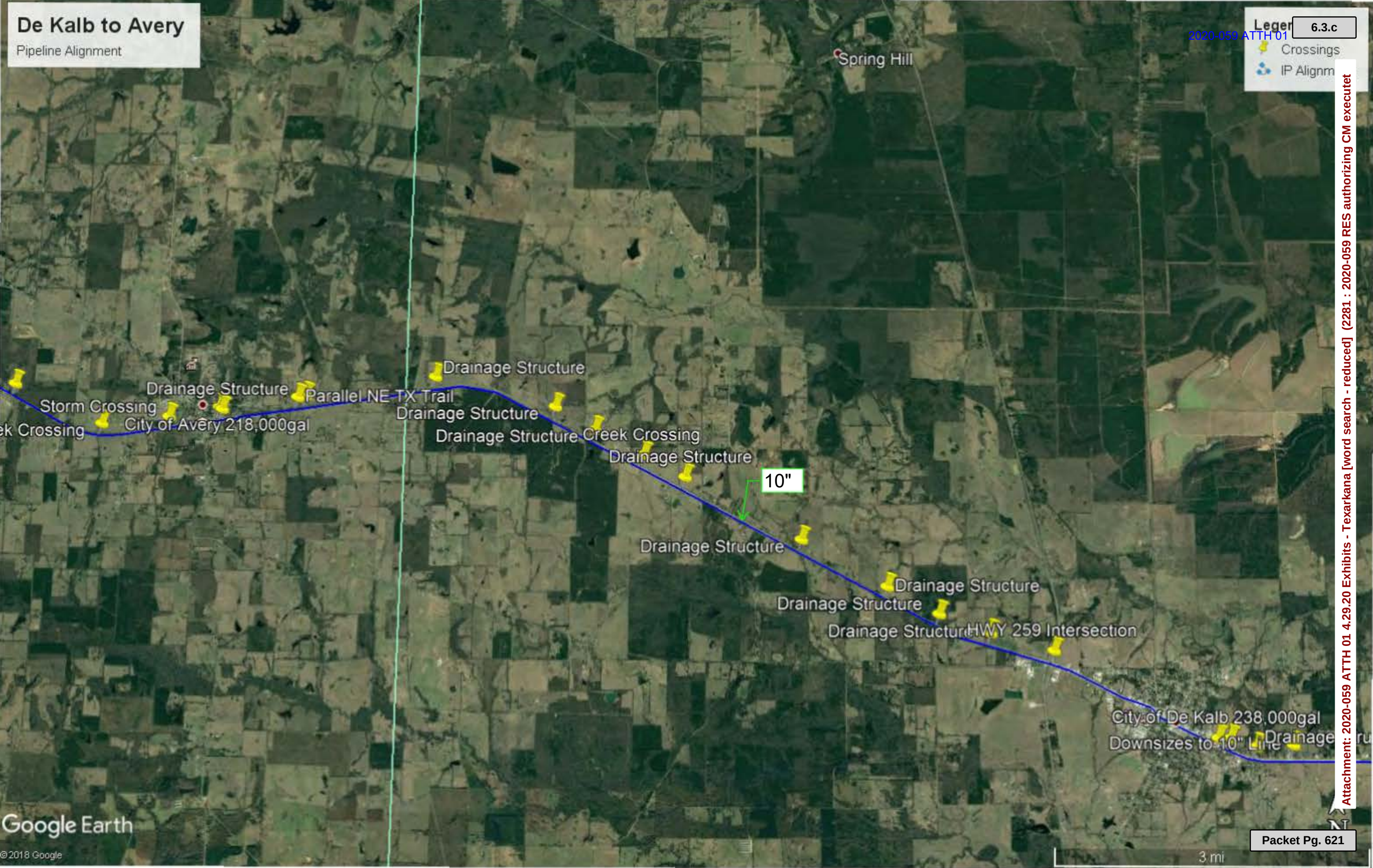
2020-059 ATTH 01

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Legend

 Crossings

 IP Alignm



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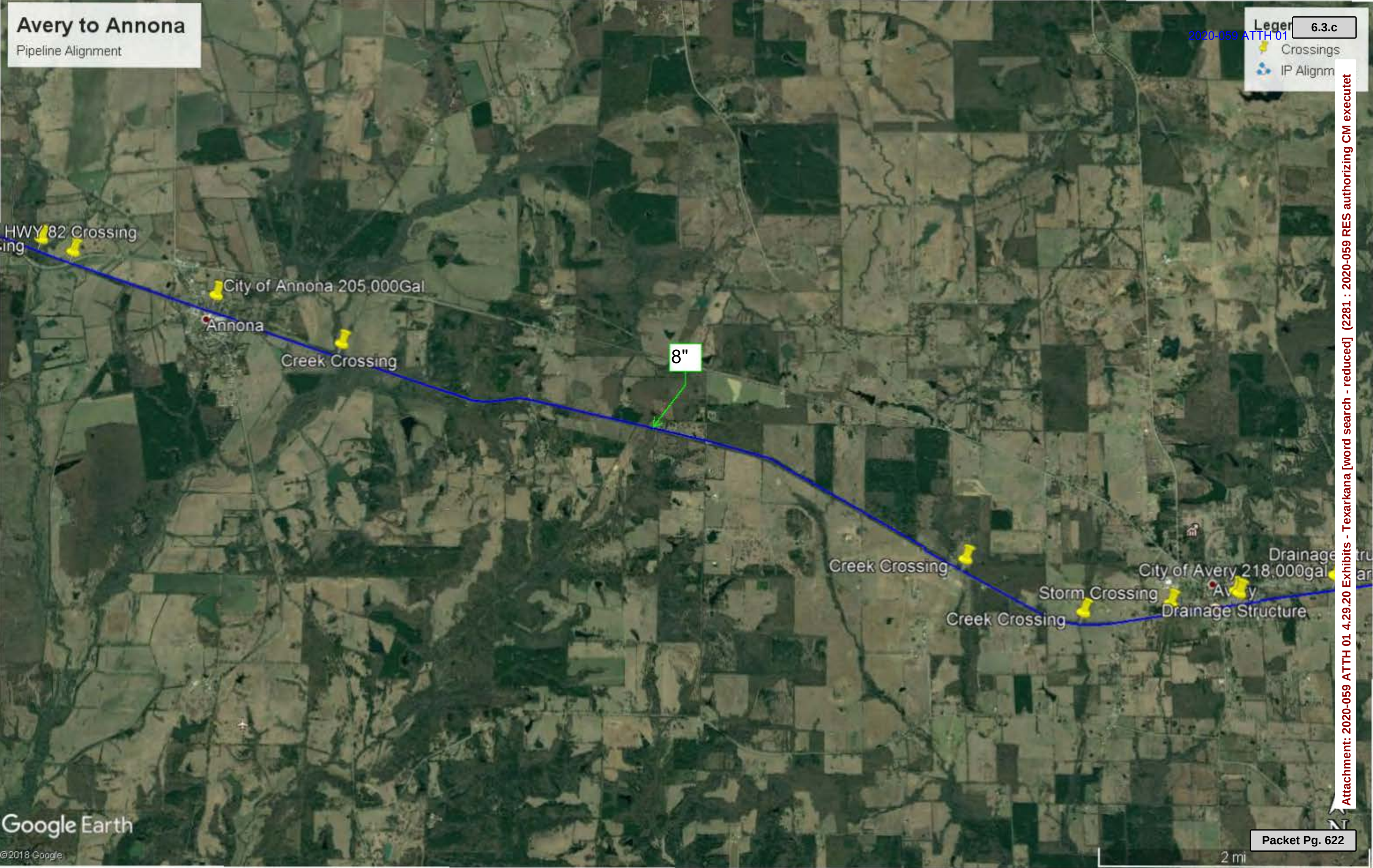
Avery to Annona
Pipeline Alignment

2020-059 ATTH 01

6.3.c

 Crossings

 IP Alignm



Annona to Clarksville

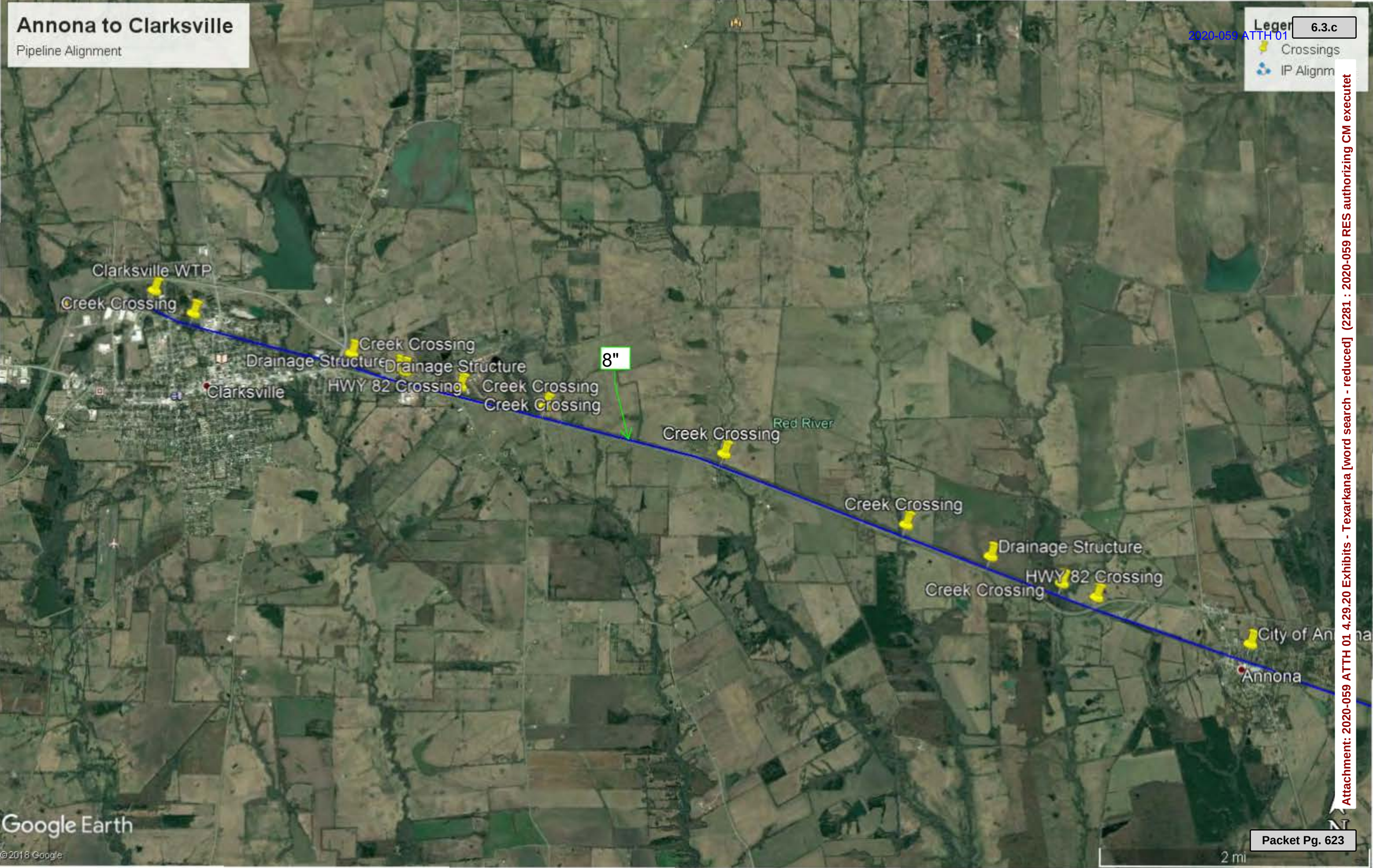
Pipeline Alignment

2020-059 ATTH 01

6.3.c

Crossings

IP Alignm



New Boston Road WTP Demolition

Texarkana Water Utilities

2020-059 ATTH 01

6.3.c



800 ft

Legend



Beverly Park and Community Center



Demo



New Boston Road WTP

Process Basins

170' Storage Basins

Beverly Park

140' Storage Basins

Demo pavement and
buildings

Google earth

© 2018 Google

Packet Pg. 624

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EXHIBIT E

2010 Interlocal Cooperation Agreement

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

Interlocal Cooperation Agreement

This Interlocal Cooperation Agreement ("Agreement") is entered into by and between the City of Texarkana, Texas, a home-rule municipality operating under a municipal charter adopted as authorized by Article XI, Section 5, of the Texas Constitution and as recognized by Texas Local Government Code Section 5.004 and having full power of local self-government ("City"), and Riverbend Water Resources District ("Riverbend"), a local governmental entity and political subdivision created by the Texas Legislature as set forth in Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601, under the authority of Article 16, Section 59 of the Texas Constitution.

Recitals

WHEREAS, Riverbend is composed of the following statutory members: the Texas cities of Annona, Avery, DeKalb, Hooks, Maud, New Boston, Texarkana, and Wake Village; and Red River Redevelopment Authority; *see* TEX. SPEC. DIST. LOC. LAWS CODE § 9601.005 ("Riverbend statutory members"); and

WHEREAS, since Riverbend is a local governmental entity and political subdivision of the State of Texas, created by the Texas Legislature under the authority of the Texas Constitution, City deems it appropriate for Riverbend to establish and / or maintain contact with various federal and state governmental entities or agencies or political subdivisions on City's behalf with respect to water supply and conservation, among other purposes; and

WHEREAS, City desires to procure certain services from Riverbend and participate in the funding of the development of Riverbend projects in exchange for a specified fee and dollar-for-dollar Credits towards participation in future water purchases should Riverbend develop such capability, and Riverbend is willing to provide such services and agree to such Credits.

NOW THEREFORE, pursuant to Chapter 791 of the Texas Government Code, and in consideration of the premises and the mutual promises, covenants and agreements contained herein, City and Riverbend hereby agree as follows:

1. Term

- 1.1 *Initial Term.* This Agreement is for a five-year term, commencing on the date the separate agreements titled "Extension and Amendment to Water Supply Contract", by and between the City of Texarkana, Texas, and, respectively, the Texas cities of Annona, Avery, DeKalb, Hooks, Maud, New Boston, and Wake Village ("the separate extension agreements"), have been approved by all contracting parties pursuant to ordinances enacted by the respective governing councils of the parties.
- 1.2 *Renewal Term.* This Agreement shall automatically renew for subsequent, one-year terms, unless terminated pursuant to Section 5 of this Agreement.

2. Riverbend's Services

- 2.1 *Schedule of Services.* Riverbend agrees to perform services on behalf of City as set forth in Schedule A to this Agreement, incorporated herein by reference for all

purposes.

3. City's Advances and Credits

- 3.1 *Advances.* For each year during the term of the Agreement, City shall pay or otherwise dedicate funds to the operation of Riverbend pursuant to Section 4, below ("Advances"). Advances shall be used by Riverbend for any costs, fees, or expenses, including internal costs, as permitted by law and Riverbend's enabling legislation.
- 3.2 *Credits.* If Riverbend develops a project with capability of providing potable water to City ("Project"), then the amount of Advances made by City shall be exchanged by City, without interest, penalties, or fees, in the form of a water purchase credit for the purchase of water ("Credits") from Riverbend. Each one dollar in Advances shall be exchanged for one dollar in Credits that Riverbend shall accept for the purchase of water. The price of water provided by Riverbend shall be based on cost as determined outside of the terms of this Agreement. Credits will be available for use after cost is determined and execution of any contract that specifies the price of water from Riverbend and immediately following the development, construction, and operation of Riverbend's Project.
- 3.3 *Use of Credits.* On or before July 1 of each year after Riverbend's Project is completed and operational, City shall provide Riverbend written notice of the intent to use available Credits and the amount of available Credits proposed to be used during the upcoming budget year. Credits may not be transferred, assigned, or otherwise sold without the agreement of Riverbend. City and Riverbend agree that Riverbend may limit the amount of Credits accepted to maintain adequate funds necessary for its day-to-day operations, and the pro-rata percentage of such limitation, as determined by Riverbend's Board of Directors, shall be the same for all Riverbend statutory members.
- 3.4 *Failure to Construct Project.* The parties understand that should certain outside influences beyond Riverbend's control, such as environmental circumstances, denial of water permit, or failure to obtain necessary funding, prohibit Riverbend in proceeding with the Project, Riverbend shall have no liability to refund any Advances made by City. However, if Riverbend decides, within five (5) years of the effective date of this Agreement, that it does not wish to develop, construct or operate the Project, other than the reasons stated in the preceding sentence, Riverbend shall repay Advances made by City, together with any interest at the Federal Reserve Bank of New York prime rate minus one percent (1%) as posted on the date of the advance. Riverbend may make the repayment over a ten (10) year period in equal annual installments. Upon the refund of all advances, Riverbend will have no further obligation to City.
- 3.5 *No Obligation to Develop Project / Price of Water Not Established.* Nothing in this Agreement, nor any payment of Advances or issuance of Credits, shall (a) obligate

Riverbend to develop, construct, or operate the Project or any portion thereof, or (b) be construed as establishing the price of water. If the Project is developed and constructed, Riverbend shall prepare water purchase agreements with the Riverbend statutory members that will set the price of water based on actual cost plus any reasonable charges necessary for the proper operation, maintenance and improvements necessary to operate the Project. The water purchase agreements will establish the amount of water based on the percentage of participation in advanced funding of Riverbend's annual budget and stipulate the maximum number of Credits available for use by City for a budget year.

4. City's Fee to Riverbend

- 4.1 In consideration of the Credits set forth in Section 3 of this Agreement, and in consideration for Riverbend's services to be provided pursuant to Section 1 of this Agreement, City agrees to pay or dedicate to Riverbend the following fee, pro-rated on a monthly basis:

FEE COMPONENT (expressed in U.S. cents) per 1,000 gallons of potable water processed through "COMPANY facilities", Texas-metered sales only, excluding metered purchases by the following: (i) the Riverbend statutory members, other than City; and (ii) any other Texas municipality or local government entity or political subdivision who may pay or dedicate monies to Riverbend for purposes of becoming a Riverbend member or other purposes.

For the first year of this agreement, the FEE COMPONENT shall be fixed at \$0.045. For subsequent years under this Agreement, the FEE COMPONENT may be increased or decreased as determined during the "true-up" process described in the separate extension agreements by and between the City of Texarkana, Texas, and, respectively, the Texas cities of Annona, Avery, DeKalb, Hooks, Maud, New Boston, and Wake Village; provided that the FEE COMPONENT shall be the same for all Riverbend statutory members.

- 4.2 "COMPANY facilities", as that term is used in ¶ 4.1, incorporates herein by reference Schedule A of the 1969 "Water Supply System Sale-Purchase-Financing Agreement" between Lake Texarkana Water Supply Corporation and the City of Texarkana, Texas, and shall have the same meaning as that term is used in the following agreements:

- the 1969 "Water Supply Contract" between the City of Texarkana, Texas, and the City of Annona, Texas;
- the 1969 "Water Supply Contract" between the City of Texarkana, Texas, and

- the City of Avery, Texas;
- the 1969 "Water Supply Contract" between the City of Texarkana, Texas, and the City of DeKalb, Texas;
- the 1969 "Water Supply Contract" between the City of Texarkana, Texas, and the City of Hooks, Texas;
- the 1969 "Water Supply Contract" between the City of Texarkana, Texas, and the City of Maud, Texas;
- the 1969 "Water Supply Contract" between the City of Texarkana, Texas, and the City of New Boston, Texas;
- the 1969 "Texarkana, Arkansas - Texas Water Supply Agreement" between the City of Texarkana, Texas, and the City of Texarkana, Arkansas; and
- the 1969 "Water Supply Contract" between the City of Texarkana, Texas, and the City of Wake Village, Texas.

5. Primary Contacts

The parties establish the primary contact persons for any issue arising under or touching upon the Agreement:

- 5.1 for City, its CEO/City Manager;
- 5.2 for Riverbend, its Executive Director/General Manager.

6. Termination

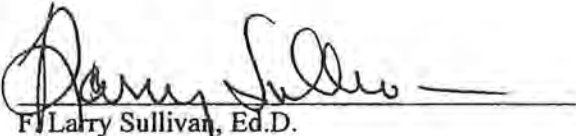
The Agreement may be terminated as follows:

- 6.1 by mutual agreement of the parties;
- 6.2 by either City or Riverbend, upon notice to the other party of one year prior to the effective date of termination;
- 6.3 by City, upon failure of Riverbend to perform any of its obligations under the Agreement, such failure not being cured by Riverbend within sixty (60) days following City giving Riverbend written notice of City's intent to terminate the Contract; or

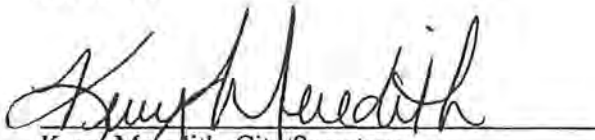
- 6.4 by Riverbend, upon failure of City to perform any of its obligations under the Agreement, such failure not being cured by City within sixty (60) days following Riverbend giving City written notice of Riverbend's intent to terminate the Contract.

IN WITNESS WHEREOF, the parties hereto have caused this Interlocal Cooperation Agreement to be executed by their duly authorized officers.

The City of Texarkana, Texas

By:  Date: 3-5-, 2010
Larry Sullivan, Ed.D.
CEO/City Manager

ATTEST:


Kerry Meredith, City Secretary

APPROVED:


Jeffery C. Lewis
Atchley, Russell, Waldrop & Hlavinka, LLP
Retained Legal Counsel

Riverbend Water Resources District

By: 
President

Date: 3-5-, 2010

ATTEST:


Secretary

EXHIBIT F

Planned Improvements

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water



Regional Water Treatment System

Phase 1 - Project Cost Summary

Phase 1A	Construction Subtotal	20% Contingency	Construction Total	Engrg, Fees, Legal, Finance, Bond Counsel (20% Constr.)	Power Connection (capital)	Land Acquisition and Survey	Interest During Construction*	Total Capital Cost
Service Road	\$ 707,620	\$ 142,000	\$ 849,620	\$ 146,325	\$ 11,491	\$ 4,096	\$ 51,484	\$ 1,063,015
Intake	\$ 24,851,583	\$ 4,970,000	\$ 29,821,583	\$ 5,135,987	\$ 403,776	\$ 200,000	\$ 1,682,070	\$ 37,243,417
Pump Station	\$ 8,770,460	\$ 1,754,000	\$ 10,524,460	\$ 1,812,563	\$ 142,492	\$ 100,789	\$ 637,741	\$ 13,218,045
Raw Water Pipeline	\$ 25,650,440	\$ 5,130,000	\$ 30,780,440	\$ 5,301,125	\$ 416,761	\$ 148,546	\$ 1,740,173	\$ 38,387,046
Raw Water System			71,976,103	\$ 12,396,000	\$ 974,520	\$ 453,431	\$ 4,111,468	\$ 89,911,522
Phase 1B								
WTP (25 MGD) Treated	\$ 58,545,592	\$ 11,709,000	\$ 70,254,592	\$ 14,051,000	\$ -	\$ -	\$ 4,007,151	\$ 88,312,743
Water Pipeline & NB Road WTP Demo		Water Treatment	\$ 70,254,592	\$ 14,051,000	\$ -	\$ -	\$ 4,007,151	\$ 88,312,743
TOTAL			\$ 142,300,000	\$ 26,500,000	\$ 1,000,000	\$ 500,000	\$ 8,200,000	\$ 178,500,000
USACE Additional Environmental Permitting - Cultural Resource Studies & Mitigation								\$ 21,500,000
TOTAL DRINKING WATER SRF FUNDING REQUEST								\$ 200,000,000

The cost estimates shown above are based on NewGen Stategies and Solutions' Capital Source Data and were used to develop the TWDB-1201 form in both the SWIFT and Drinking Water SRF applications

*Assumed interest rate of 4% and 15-month term for construction activities during Phase 1A & 1B.

Proposed DW SRF Schedule: Multi-Year Commitment		
2020	\$	18,000,000
2021	\$	93,000,000
2022	\$	14,400,000
2023	\$	74,600,000
TOTAL	\$	200,000,000

Primary Components of Regional Water System
Raw Water Intake Structure - Designed for 60 MGD
Raw Water Pump Station - Designed for 60 MGD
Service Road - Raw Water Pump Station - Approximately 3.5 miles long, 12 ft wide
Raw Water Transmission Line - Approximately 54" Diameter, 8 miles long
Regional Water Treatmtent Plant - 25 MGD for treatment and 10 MG clearwell/ground storage
Treated Water Transmission Line - 30" Diameter from Regional WTP to US HWY 82 Main Dist. Lin
Decommissioning of unneeded facilities based upon engineering of Planned Improvements

EXHIBIT G

Point of Delivery Delineation

Member Entity's Points of Delivery shall be established upon Riverbend's final acceptance of the engineering plans for the Planned Improvements.

Member Entity's Points of Delivery shall be designated in the same manner as for all other Riverbend Member Entities, and specifically located at the master meter at each designated location.

EXHIBIT H

2017-2018 True Up Showing Minimum Quantity Amount

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

2017-2018 True Up Showing Minimum Quantity Amount

WATER CONSUMPTION													
October 2017- September 2018													
FY18													
	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total Gallon:
Texarkana, Texas	221,180,300	168,874,267	147,664,424	166,475,924	145,023,395	160,639,449	154,578,071	193,350,946	216,977,978	254,314,736	236,287,484	201,099,542	2,266,466,516

Minimum Quantity Volume in Section 2(a) Based on 2017-2018 Actual/True Up Volume = 2,266,466,516 Gallons Per Year

EXHIBIT I
Capital Matrix

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water



Capital Funding Matrix

Inflated Costs	2019	2020	2021	2022	Grand Total	Original Cost
Phase 1A Access Roadway						
20% Contingency		141,100			141,100	133,000
Construction Subtotal		707,620			707,620	667,000
Engrg, Feas, Legal, Finance, Bond Counsel (20% Constr.)	164,802				164,802	160,002
Land Acquisition and Survey	4,096				4,096	3,977
Power Connection (capital)		11,491			11,491	10,832
Phase 1A Access Roadway Total	168,898	860,211			1,029,110	974,811
Phase 1A Intake						
20% Contingency		4,970,317			4,970,317	4,685,000
Construction Subtotal		24,851,583			24,851,583	23,425,000
Engrg, Feas, Legal, Finance, Bond Counsel (20% Constr.)	5,790,745				5,790,745	5,622,083
Land Acquisition and Survey	143,918				143,918	139,726
Power Connection (capital)		403,776			403,776	380,598
Phase 1A Intake Total	5,934,663	30,225,675			36,160,338	34,252,407
Phase 1A Pump Station						
20% Contingency		1,753,668			1,753,668	1,653,000
Construction Subtotal		8,770,460			8,770,460	8,267,000
Engrg, Feas, Legal, Finance, Bond Counsel (20% Constr.)	2,043,550				2,043,550	1,984,029
Land Acquisition and Survey	50,789				50,789	49,309
Power Connection (capital)		142,492			142,492	134,313
Phase 1A Pump Station Total	2,094,339	10,666,620			12,760,959	12,087,651
Phase 1A Raw Water Line						
20% Contingency		5,130,512			5,130,512	4,836,000
Construction Subtotal		25,650,440			25,650,440	24,178,000
Engrg, Feas, Legal, Finance, Bond Counsel (20% Constr.)	5,976,972				5,976,972	5,802,886
Land Acquisition and Survey	148,546				148,546	144,220
Power Connection (capital)		416,761			416,761	392,837
Phase 1A Raw Water Line Total	6,125,518	31,197,714			37,323,232	35,353,943
Phase 1B WTP (25 MGD)						
20% Contingency				11,708,668	11,708,668	10,403,000
Construction Subtotal				58,545,592	58,545,592	52,017,000
Engrg, Feas, Legal, Finance, Bond Counsel (20% Constr.)			13,641,604		13,641,604	12,484,000
Land Acquisition and Survey			0		0	0
Power Connection (capital)				0	0	0
Phase 1B WTP (25 MGD) Total			13,641,604	70,254,260	83,895,864	74,904,000
Phase 4B Raw Water Pipeline						
20% Contingency				384,924	384,924	342,000
Construction Subtotal				1,923,495	1,923,495	1,709,000
Engrg, Feas, Legal, Finance, Bond Counsel (20% Constr.)			448,272		448,272	410,233
Land Acquisition and Survey			3,038		3,038	2,780
Power Connection (capital)				9,655	9,655	8,579
Phase 4B Raw Water Pipeline Total			451,310	2,318,074	2,769,384	2,472,591
Phase 4B WTP (2.5 MGD)						
20% Contingency				1,967,389	1,967,389	1,748,000
Construction Subtotal				9,836,947	9,836,947	8,740,000
Engrg, Feas, Legal, Finance, Bond Counsel (20% Constr.)			2,292,287		2,292,287	2,097,767
Land Acquisition and Survey			15,535		15,535	14,216
Power Connection (capital)				49,373	49,373	43,868
Phase 4B WTP (2.5 MGD) Total			2,307,822	11,853,710	14,161,531	12,643,851
Grand Total	\$ 14,323,419	\$ 72,950,220	\$ 16,400,736	\$ 84,426,043	\$ 188,100,418	\$ 172,689,254

Notes:

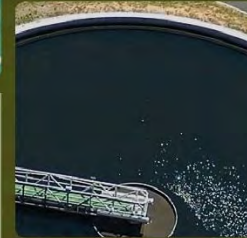
*Costs by Component originally given by Phase and derived by component % of construction

**Interest during Construction removed

EXHIBIT J

Rate Study

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water



July 25, 2019

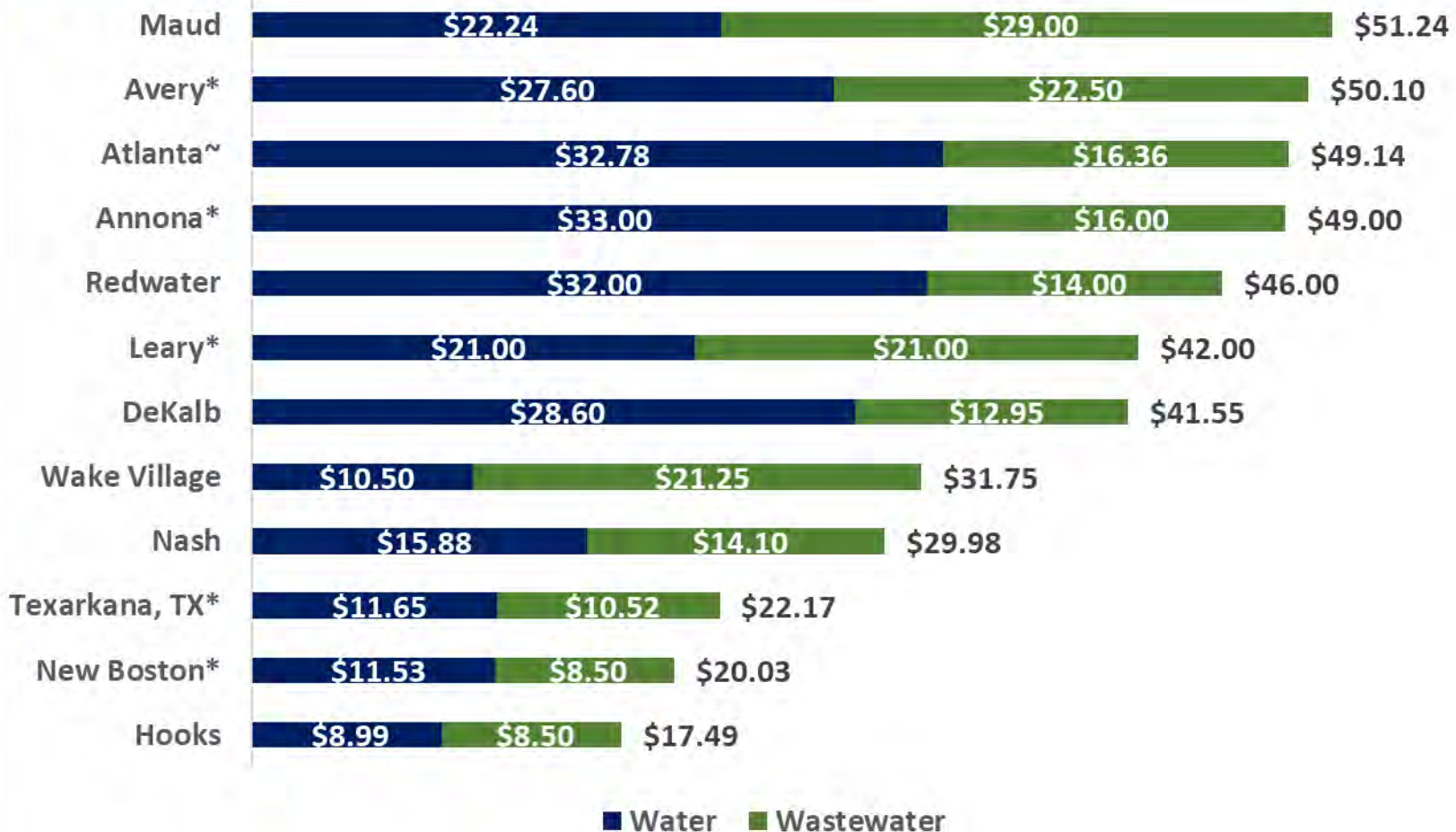
Riverbend Water Resources District Retail and Wholesale Rate Study Recap



Regional Rate Recap

- AECOM retained by RWRD to perform cost estimate for regional projects
 - Transmission and treatment of raw water from Wright Patman Lake
 - Package water treatment plant to serve customers of RWRD
- Phasing approach implemented to mitigate rate impacts
- Incorporate Regional Rate
 - Regional Rate of **\$1.50** per 1,000 gallons should be billed to customers to fund future infrastructure (Years 1-3)
 - Rate reflects 20% off-set for water loss.
 - Regional Rate of **\$2.50** per 1,000 gallons should be billed to customers to fund future infrastructure (Years 4-6)
 - Rate reflects 10% off-set for water loss.

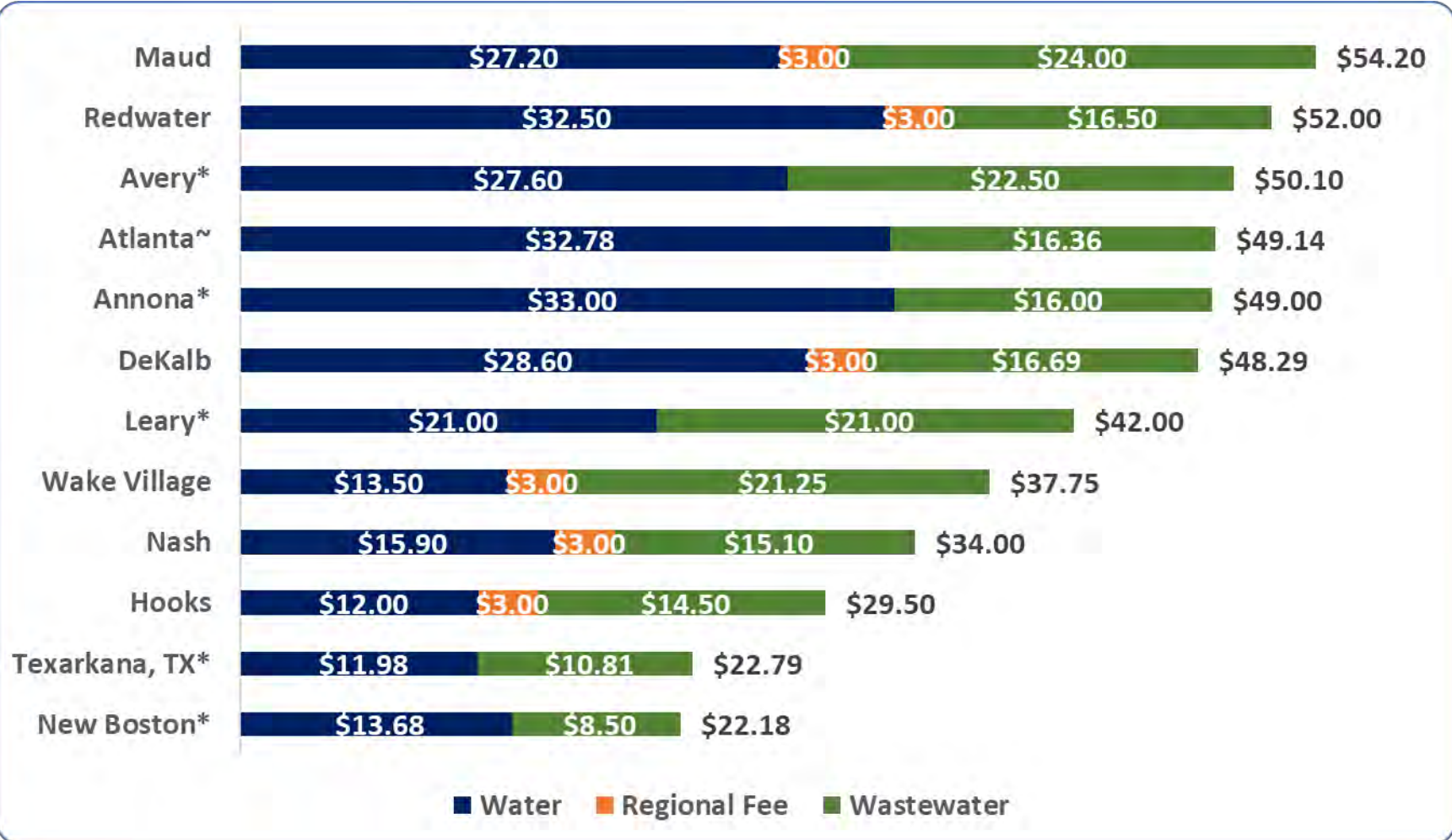
Regional Bill Comparison Before Regional Rate Adoption– 2,000 Gallons



*These entities have not completed rate increases as of the close of this water rate study.

~City of Atlanta, TX was left in this chart for comparison but has elected not to participate in the regional rate projects at this time.

Regional Bill Comparison After Regional Rate Adoption – 2,000 Gallons



*These entities have not completed rate increases as of the close of this water rate study.

~City of Atlanta, TX was left in this chart for comparison but has elected not to participate in the regional rate projects at this time.

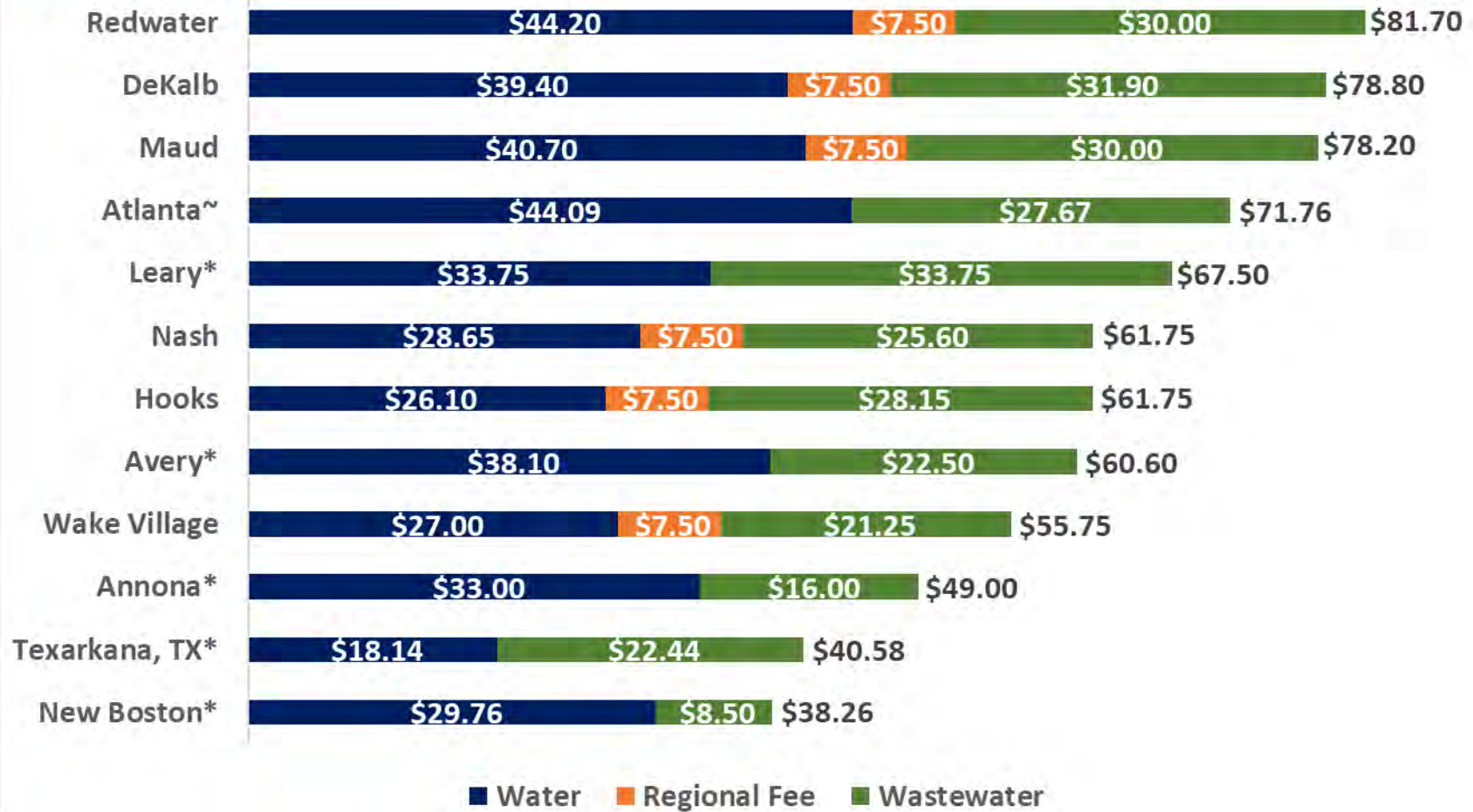
Regional Bill Comparison Before Regional Rate Adoption – 5,000 Gallons



*These entities have not completed rate increases as of the close of this water rate study.

~City of Atlanta, TX was left in this chart for comparison but has elected not to participate in the regional rate projects at this time.

Regional Bill Comparison After Regional Rate Adoption – 5,000 Gallons



*These entities have not completed rate increases as of the close of this water rate study.

~City of Atlanta, TX was left in this chart for comparison but has elected not to participate in the regional rate projects at this time.

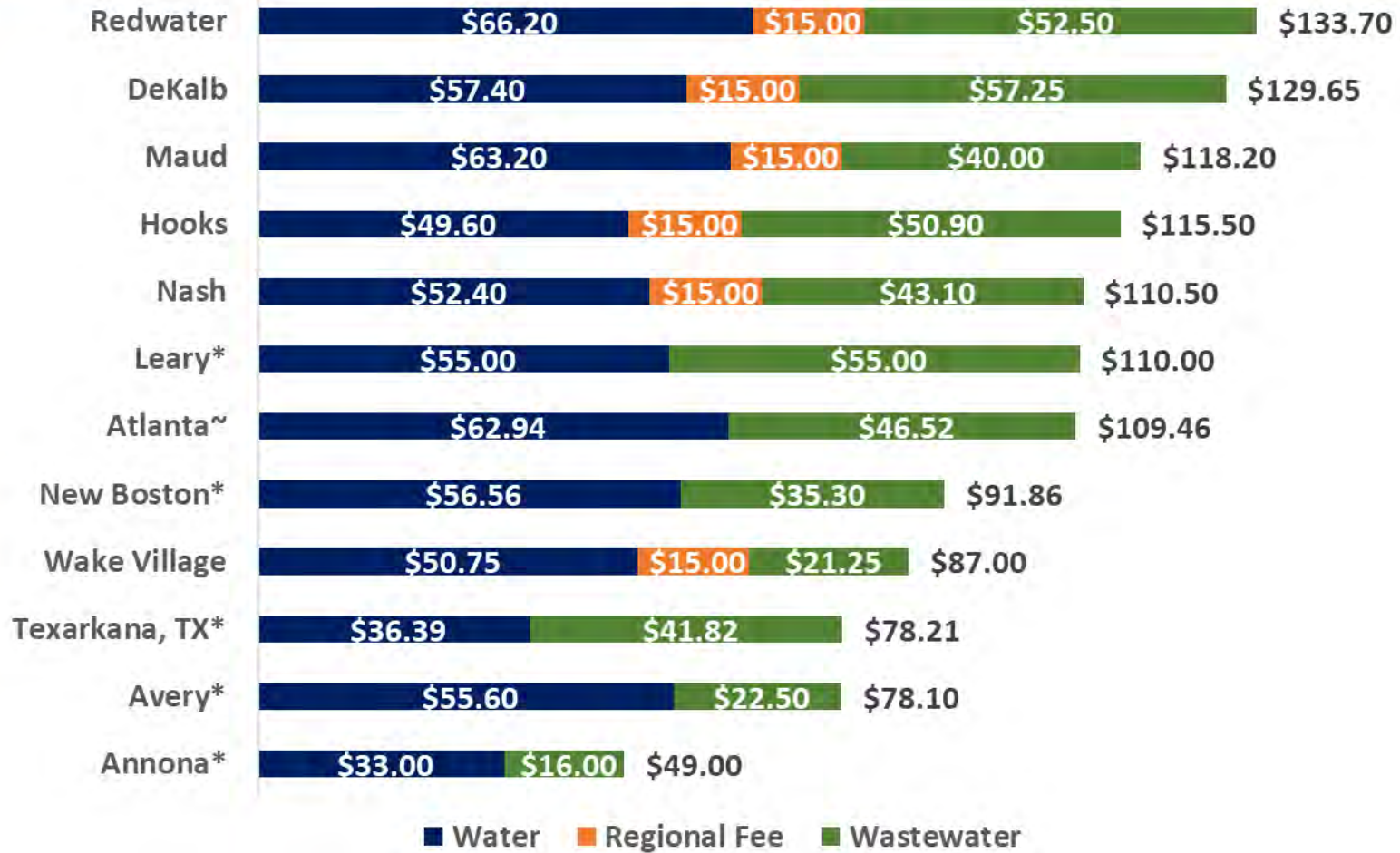
Regional Bill Comparison Before Regional Rate Adoption – 10,000 Gallons



*These entities have not completed rate increases as of the close of this water rate study.

~City of Atlanta, TX was left in this chart for comparison but has elected not to participate in the regional rate projects at this time.

Regional Bill Comparison After Regional Rate Adoption – 10,000 Gallons

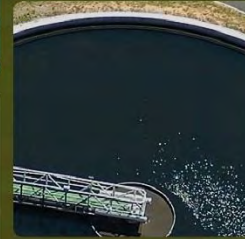


*These entities have not completed rate increases as of the close of this water rate study.

~City of Atlanta, TX was left in this chart for comparison but has elected not to participate in the regional rate projects at this time.

Retail Rate Impact Metrics

Metrics	Cost Per 1,000 Gallons
Average Water Increase	\$ 1.71
Average Wastewater Increase	<u>\$ 0.98</u>
Average Overall Increase	\$ 2.38
Average Amount Toward Regional Water Projects	\$ 1.50



Questions and Discussion

Chris Ekrut, Director
NewGen Strategies & Solutions
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Richardson, Texas 75080
972.232.2234
cekrut@newgenstrategies.net



EXHIBIT K

Member Entity Funding Resolutions

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

Resolution No. 2019- 2-12-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANNONA, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY ANNONA AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Annona, Texas ("Annona"), formed in 1980 is a General Law "A" Municipality as recognized by Texas Local Government Code Title 2 "Organization of Municipal Government," Chapter 6 "Types of Municipalities in General," Subtitle A "Types of Municipalities," Section 6.001 "Type A General Law Municipality," and having full power of local self-government; and

WHEREAS, in 1969, Annona supported the City of Texarkana, Texas ("Texarkana") entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, Annona entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with Annona and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Annona and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities and to be in the best interests of the citizens of Annona.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANNONA, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to Annona and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to Annona.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

Section 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

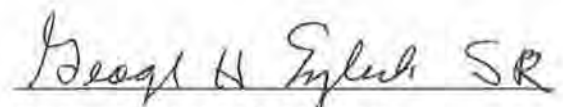
Section 6. If the City Council chooses to adopt rates and charges as described in Section 4, such rates shall be adopted by ordinance or before their effective date so that rates may become effective no later than August 1, 2019.

Section 7. This Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Council Session on this the 12th day of February, 2019.

ATTEST:


ELLIE WOLF, CITY SECRETARY


GEORGE ENGLISH, MAYOR

Resolution No. 2019-~~2-4~~-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AVERY, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY AVERY AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Avery, Texas ("Avery"), formed in 1980 is a General Law "A" Municipality as recognized by Texas Local Government Code Title 2 "Organization of Municipal Government," Chapter 6 "Types of Municipalities in General," Subtitle A "Types of Municipalities," Section 6.001 "Type A General Law Municipality," and having full power of local self-government; and

WHEREAS, in 1969, Avery supported the City of Texarkana, Texas ("Texarkana") entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, Avery entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with Avery and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Avery and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities and to be in the best interests of the citizens of Avery.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AVERY, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to Avery and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to Avery.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

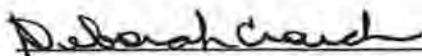
Section 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

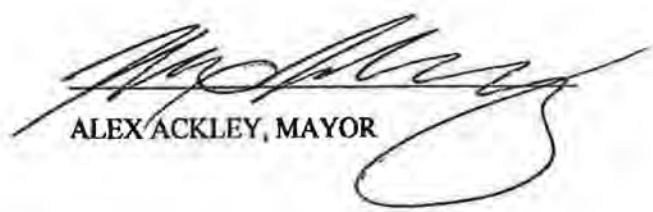
Section 6. If the City Council chooses to adopt rates and charges as described in Section 4, such rates shall be adopted by ordinance or before their effective date so that rates may become effective no later than August 1, 2019.

Section 7. This Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Council Session on this the 4th day of February, 2019.

ATTEST


DEBORAH CROUCH, CITY SECRETARY


ALEX ACKLEY, MAYOR

Resolution No. 2019- 02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DE KALB, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY DE KALB AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; ESTABLISHING A NEW WATER RATE STRUCTURE BY ORDINANCE NO. 2019-03 ; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of De Kalb, Texas ("De Kalb"), formed in 1926 is a General Law "A" Municipality as recognized by Texas Local Government Code Title 2 "Organization of Municipal Government," Chapter 5 "Types of Municipalities in General," Subtitle A "Types of Municipalities," Section 5.001 "Type A General Law Municipality," and having full power of local self-government; and

WHEREAS, in 1969, De Kalb supported the City of Texarkana, Texas ("Texarkana") entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, De Kalb entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with De Kalb and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to De Kalb and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities and to be in the best interests of the citizens of De Kalb.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DE KALB, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to De Kalb and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to De Kalb.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

Section 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

Section 6. If the City Council chooses to adopt rates and charges as described in Section 4, such rates shall be adopted by ordinance or before their effective date so that rates may become effective no later than August 1, 2019.

Section 7. This Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Council Session on this the 11th day of February, 2019.

ATTEST:


ABBI CAPPS, CITY SECRETARY


DENNIS WANDREY, MAYOR

Resolution No. 19-01-28-6

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOOKS, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY HOOKS AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; ESTABLISHING A NEW WATER RATE STRUCTURE BY ORDINANCE NO. 19-01-28; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Hooks, Texas ("Hooks"), formed in 1941 is a General Law "A" Municipality as recognized by Texas Local Government Code Title 2 "Organization of Municipal Government," Chapter 5 "Types of Municipalities in General," Subtitle A "Types of Municipalities," Section 5.001 "Type A General Law Municipality," and having full power of local self-government; and

WHEREAS, in 1969, Hooks supported the City of Texarkana, Texas ("Texarkana") entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, Hooks entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with Hooks and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Hooks and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities and to be in the best interests of the citizens of Hooks.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOOKS, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to Hooks and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to Hooks.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. As provided in Section 7 below, The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

Section 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

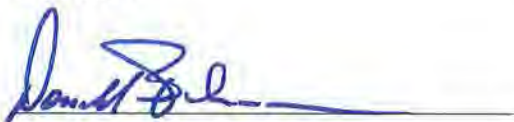
Section 6. This Resolution shall be in full force and effect from and after its passage and approval.

WATER AND WASTEWATER RATES

Section 7. The City Council hereby adopts the following water and wastewater rates included in and outlined by Ordinance No. 19-01-28 to become effective February 1, 2019, as attached.

PASSED AND APPROVED in Council Session on this the 28th day of January, 2019.

ATTEST:



DONALD BUCHANAN, CITY SECRETARY



JIMMY COCHRAN, MAYOR

Resolution No. 2019- 02-04-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEARY, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY LEARY AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Leary, Texas ("Leary"), formed in September 1960, is a Type A General Law municipality operating under Texas Local Government Code Chapter 21 and having full power of local self-government; and

WHEREAS, in 1969, several entities supported the City of Texarkana, Texas ("Texarkana") entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, those entities entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, in 1969, Leary did not elect to enter into a water supply agreement for participation in the development of those Company Facilities; however, Leary later entered into a water supply agreement with Texarkana for the supply of potable water at a separate contract rate, which remains in place today;

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with Leary and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Texarkana and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting in principle Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities, as well as with Leary as a Separate Contracting Entity, and to be in the best interests of the citizens of Leary.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEARY, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to Leary and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to Leary.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. As provided in Section 6 below, The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

Section 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

Section 6. If the City Council chooses to adopt rates and charges as described in Section 4, such rates shall be adopted by ordinance on or before their effective date so that rates may become effective no later than August 1, 2019.

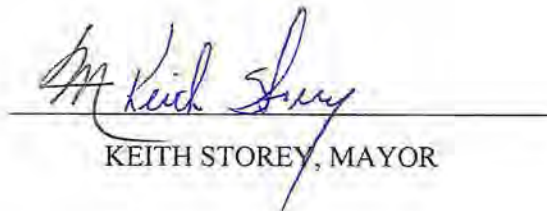
Section 7. This Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Council Session on this the 4th day of February, 2019.

ATTEST:



MARJORIE CHANDLER, CITY SECRETARY



KEITH STOREY, MAYOR

Resolution No. 2018-1201

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAUD, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY MAUD AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; ESTABLISHING A NEW WATER RATE STRUCTURE BY ORDINANCE NO. 18-1201; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Maud, Texas ("Maud"), is a general law municipality operating under an aldermanic form of government consisting of a Mayor and five aldermen in accordance with applicable state statutes, serving a current population of 1,056 residents based on the most recent 2010 Census; and

WHEREAS, in 1969, Maud supported the City of Texarkana, Texas ("Texarkana") entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, Maud entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with Maud and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Texarkana and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities and to be in the best interests of the citizens of Maud.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MAUD, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to Maud and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to Texarkana.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. As provided in Section 6 below, The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

Section 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

WATER AND WASTEWATER RATES

Section 6. The City Council hereby adopts the following water and wastewater rates included in and outlined by Ordinance No. 18-1201 to become effective April 1, 2019, as attached.

PASSED AND APPROVED in Council Session on this the 17 day of December, 2018.



ATTEST:

Pollyanna Moore

POLLYANNA MOORE, CITY SECRETARY

Mickey Williams

Mickey Williams, Mayor

Resolution No. R02-19A

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASH, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY NASH AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; ESTABLISHING A NEW WATER RATE STRUCTURE BY ORDINANCE NO. 02-19; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Nash, Texas ("Nash") formed in 1959 is a General Law Municipality as authorized by the State of Texas, and having full power of local self-government; and

WHEREAS, in 1969, Nash supported the City of Texarkana, Texas ("Texarkana") entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, Nash entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with Nash and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Nash and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities and to be in the best interests of the citizens of Nash.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NASH, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to Nash and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to Nash.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. As provided in Section 7 below, The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

Section 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

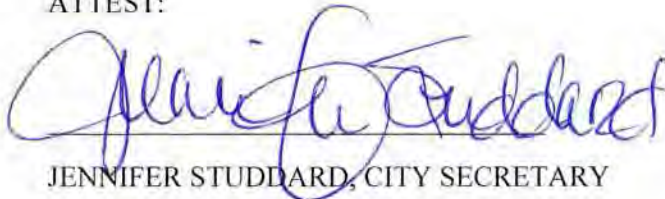
Section 6. This Resolution shall be in full force and effect from and after its passage and approval.

WATER AND WASTEWATER RATES

Section 7. The City Council hereby adopts the following water and wastewater rates included in and outlined by Ordinance No. 02-19 to become effective April 1, 2019, as attached.

PASSED AND APPROVED in Council Session on this the 11th day of February, 2019.

ATTEST:



JENNIFER STUDDARD, CITY SECRETARY



ROBERT H. BUNCH, MAYOR

Resolution No. 18-R-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEW BOSTON, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY NEW BOSTON AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of New Boston, Texas ("New Boston"), is a General Law "A" Municipality as recognized by Texas Local Government Code Title 2 "Organization of Municipal Government" Chapter "Types of Municipalities in General" Subtitle "Types of Municipalities" Section "Type A General Law Municipality" and having full power of local self-government; and

WHEREAS, in 1969, New Boston supported the City of Texarkana, Texas entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, New Boston entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston

Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with New Boston and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Texarkana and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting in principle Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting in principle Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities and to be in the best interests of the citizens of New Boston.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEW BOSTON, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to New Boston and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to City of New Boston.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

Section 5. The City Council resolves that monies raised for the purpose of implementing the regional water infrastructure improvements shall be held in a separate account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

Section 6. If the City Council chooses to adopt additional rates and charges as described in Section 4, such rates shall be adopted by ordinance on or before their effective date so that rates may become effective no sooner than January 1, 2019, and no later than October 1, 2019.

PASSED AND APPROVED in Special Council Session on this the 13th day of November, 2018.

ATTEST:



DARLA FAULKNOR, CITY SECRETARY



JOHNNY BRANSON, MAYOR

Resolution No. R-18-18-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWATER, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY REDWATER AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; ESTABLISHING A NEW WATER RATE STRUCTURE BY ORDINANCE NO. 18-23-25; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Redwater, Texas ("Redwater"), formed in 1989, is a Type A General Law municipality operating under Texas Local Government Code and having full power of local self-government; and

WHEREAS, in 1969, several entities supported the City of Texarkana, Texas ("Texarkana") entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, those entities entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, in 1969, Redwater did not exist and was unable to elect to enter into a water supply agreement for participation in the development of those Company Facilities; however, Redwater later entered into a water supply agreement with Texarkana for the supply of potable water at a separate contract rate, which remains in place today;

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future

regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with New Boston and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Texarkana and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting in principle Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities, as

well as with Redwater as a Separate Contracting Entity, and to be in the best interests of the citizens of Redwater.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDWATER, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to Redwater and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to Texarkana.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. As provided in Section 6 below, The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

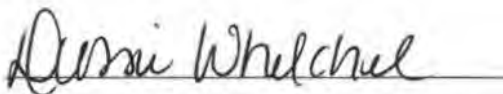
Section 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

WATER AND WASTEWATER RATES

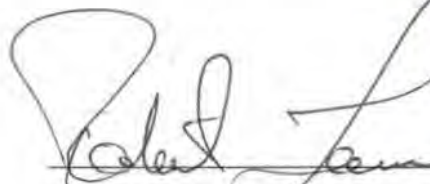
Section 6. The City Council hereby adopts the following water and wastewater rates included in and outlined by Ordinance No. 18-23-25 to become effective February 1, 2019, as attached.

PASSED AND APPROVED in Council Session on this the 10 day of December, 2018.

ATTEST:



DESSIE WHELCHER, CITY SECRETARY



ROBERT LORANCE, MAYOR



RESOLUTION NO. 2018-127

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY TEXARKANA AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Texarkana, Texas ("Texarkana"), a home-rule municipality having full power of local self-government, holds rights to appropriate, divert, and use waters of the State of Texas in the Sulphur River Basin under multiple permits issued to Texarkana by the State of Texas; and

WHEREAS, in 1969, Texarkana entered into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, Texarkana entered into water supply contracts for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with Texarkana and other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Texarkana and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies in developing an initial draft plan to provide for a regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting in principle Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting in principle Riverbend's plan for such improvements, consistent with the City's contracts with the 1969 Contracting Cities, will be in the best interests of the citizens of Texarkana.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to Texarkana and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead

funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to Texarkana.

SECTION 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

SECTION 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

SECTION 4. The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

SECTION 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

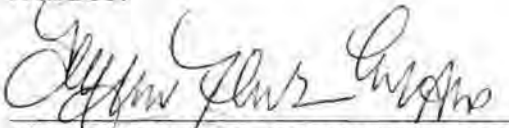
SECTION 6. If the City Council chooses to adopt rates and charges as described in Section 4, such rates shall be adopted by ordinance on or before their effective date so that rates may become effective no sooner than January 1, 2019, and no later than October 1, 2019.

SECTION 7. Nothing in this Resolution should be construed to abrogate Texarkana's contracts with the 1969 Contracting Cities for supply of potable water.

SECTION 8: This Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Special Council Session on this the 7th day of November, 2018.

ATTEST:


JENNIFER EVANS, CITY SECRETARY


BOB BRUGGEMAN, MAYOR

6:20 p.m.

RESOLUTION No. 6-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WAKE VILLAGE, TEXAS, SUPPORTING THE ROLE OF RIVERBEND WATER RESOURCES DISTRICT AS THE DESIGNATED LEAD FUNDING SPONSOR AND REGIONAL WHOLESALE WATER PROVIDER TO PROCURE NEW REGIONAL WATER INFRASTRUCTURE FOR DEVELOPMENT OF WATER SUPPLY FOR THE POTABLE AND NON-POTABLE USE BY WAKE VILLAGE AND OTHER SURROUNDING ENTITIES; RECEIVING RIVERBEND'S DRAFT REGIONAL WATER RATE AND EVALUATING OTHER POSSIBLE FUNDING OPTIONS; ESTABLISHING A NEW WATER RATE STRUCTURE BY ORDINANCE NO. 1-19; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Wake Village, Texas ("Wake Village"), is a home-rule municipality operating under a municipal charter adopted as authorized by Article XI, Section 5, of the Texas Constitution and as recognized by Texas Local Government Code Section 5.004, and having full power of local self-government; and

WHEREAS, in 1969, Wake Village supported the City of Texarkana, Texas ("Texarkana") entering into a "Water Supply System Sale-Purchase-Financing Agreement" with Lake Texarkana Water Supply Corporation, purchasing various assets set forth in that agreement ("Company Facilities"), which included the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant located in Texarkana; and

WHEREAS, also in 1969, Wake Village entered into a water supply contract with the City of Texarkana, Texas for provision of potable water by means of Company Facilities to, respectively, the City of Annona, Texas, the City of Avery, Texas, the City of DeKalb, Texas, the City of Hooks, Texas, the City of Maud, Texas, the City of New Boston, Texas, the City of Texarkana, Arkansas, and the City of Wake Village, Texas (collectively, "the 1969 Contracting Cities"); and

WHEREAS, Riverbend Water Resources District ("Riverbend"), created in 2009, is a conservation and reclamation district created under and essential to accomplish the purpose of Section 59, Article XVI, Texas Constitution, as set forth in Title 6, Special District Local Laws Code, Subtitle L, Municipal Water Districts, Chapter 9601, with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir or other water sources inside or outside the boundaries of the district, and to acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons; and

WHEREAS, Riverbend is operating under a Board of Directors comprised of five qualified voters who are residents of the district, selected by the local governing bodies of the Riverbend members (the Counties of Bowie, Cass, and Red River, TexAmericas Center, and the Cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, and Wake Village); and

WHEREAS, Riverbend is supported by resolution by all of its member entities and has entered into Interlocal Cooperation Agreements in 2010 and 2011 with all of its member entities for the purpose of providing regional water and wastewater planning and engineering design services and implementing future regional water and wastewater infrastructure projects, as well as performing certain agent and negotiation activities at the local, state, and federal levels; and

WHEREAS, Riverbend and Texarkana have conducted numerous preliminary studies to examine the viability of extending the usable life of the raw water intake at Wright Patman Lake and the New Boston Road Water Treatment Plant and/or to build a new regional water treatment plant and new raw water intake; and

WHEREAS, Riverbend has a continued need for a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs; and

WHEREAS, Riverbend began a Regional Water Master Plan Study in 2016 with Susan Roth Consulting for the purposes of 1) determining current and future population projections and water supply demands, 2) accessing current regional infrastructure, 3) recommending alternatives to the existing regional infrastructure to meet current and future demands, and 4) processing initial cost estimates and released its initial final draft as a working document of the Regional Water Master Plan in July 2018 for review and comment by member entities and interested stakeholders; and

WHEREAS, Riverbend also obtained Second Level III Cost Estimates from AECOM for the purposes of providing in greater detail a line-by-line cost assessment, as well as a more detailed scaled recommendation for phasing regional infrastructure into a timeline with estimated costs for Regional Water Infrastructure Projects in Phases 1A, 1B, and 4B totaling approximately \$200,000,000; and

WHEREAS, Riverbend intends to primarily seek funding and financing through programs at the Texas Water Development Board and any/all other state and federal entities that can provide low-cost financing or grants for the purpose of fulfilling Regional Water Infrastructure Projects, including the issuance of bonds; and

WHEREAS, Riverbend expects to enter into future water supply agreements with Wake Village other surrounding entities who wish to become formal partners and owners in the newly developed Regional Water Infrastructure Projects of the Riverbend Regional Water Master Plan Study of 2018 in a take-or-pay type commitment pursuant to an agreed upon volume of water supply to Texarkana and other surrounding entities for the purpose of supporting the issuance of bonds, and intends to present such agreements to the City Council no later than the date that bonds are issued to support the intended projects; and

WHEREAS, Riverbend continues to work on a Water and Wastewater Rate Study with NewGen Strategies an initial draft Riverbend regional water rate increase and/or set aside of approximately \$1.50 per 1,000 gallons for years 1-3 and \$2.50 per 1,000 gallons years 4-6 to begin meeting a commitment of debt service for a total of 30 years debt service, as well as Riverbend O&M and fees to be in place no sooner than January 1, 2019 and no later than October 1, 2019, which was provided to Riverbend members in a public work session on August 22, 2018; and

WHEREAS, Riverbend has informed city officials of the need for resolutions from the City Council and other surrounding entities supporting Riverbend's plan for regional water infrastructure improvements; and upon receipt of such resolutions, Riverbend will promptly submit funding applications to the Texas Water Development Board for such improvements; and

WHEREAS, in light of aging Company Facilities, increased regional need for potable and non-potable water, and economic development opportunities that may be advanced by construction of regional water infrastructure improvements, the City Council finds and determines that supporting Riverbend's plan for such improvements to be consistent with Texarkana, Texas' contracts with the 1969 Contracting Cities and to be in the best interests of the citizens of Wake Village.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WAKE VILLAGE, TEXAS:

Section 1. Recognizing the importance of a regional water supply to meet current and future potable and non-potable water supply demands for municipal and industrial needs to Wake Village and the surrounding region, the City Council fully supports Riverbend Water Resources District to act on its behalf as the lead funding sponsor and to construct the Regional Water Infrastructure Projects including at a minimum a new raw water intake, a new raw water line, and a new water treatment facility that will supply wholesale water to Texarkana.

Section 2. The City Council has been provided the Level III detailed costs associated with the proposed new regional water infrastructure improvements as prepared by AECOM and Riverbend, along with new recommended regional water rates necessary to support those improvements.

Section 3. The City Council acknowledges that Riverbend Water Resources District will be requesting funds from the Texas Water Development Board and/or other state and federal entities in the form of bond funds; and the water supply agreements which Riverbend Water Resources District intends to present to the City Council and other surrounding entities will be used to support and secure these funds to be used to pay for the regional water infrastructure improvements.

Section 4. As provided in Section 6 below, The City Council intends to fix and collect such rates and charges and/or provide for other funds legally available and reasonably assured for the purpose to make possible the City's proposed payment to Riverbend Water Resources District for the regional water infrastructure improvements.

Section 5. The City Council intends that monies raised and/or funds set aside for the purpose of implementing the regional water infrastructure improvements will be held in a separate fund and/or account and not used for any other purpose but to support the regional water infrastructure improvements under Riverbend Water Resources District, unless the City Council otherwise approves the use of those funds for another purpose.

WATER RATES

Section 6. The City Council hereby adopts the following water rates included in and outlined by Ordinance No. 1-19 to become effective February 1, 2019, as attached.

PASSED AND APPROVED in Council Session on this the **14th day of January 2019**.

ATTEST:



JIM ROBERTS, CITY SECRETARY



SHERYL COLLUM, MAYOR

EXHIBIT L

Beginning and Ending Balances for Budget Purposes

Member City Water Rate Calculation 2019

City of Texarkana, Texas
Proposed Water Production Rate Assumptions
9/30/2019

Assumptions regarding the 2019 Water Rate:

- 1) The water rate is determined based on the adopted FY 2019 Water Department Budget.
- 2) The administration overhead rate has been calculated using **6.26%** of total budget water production costs using the method approved last year for the FY 2018 budget billing.
- 3) The 2017 True up is not included in the actual water rate. Once the true up has been decided, it will be billed monthly as an amount on each individual Member City monthly billing.
- 4) The infrastructure cost is not included in the actual water rate. Once the cost has been decided, it will be billed monthly as an amount on each individual Member City monthly billing.
- 5) The debt service cost is not included in the actual water rate. Once the cost has been decided, it will be billed monthly as an amount on each individual Member City monthly billing.
- 6) Monthly billings will use estimated gallons as projected in the current budget.
- 7) The water rate calculated for 2019 excludes the amount due to Riverbend. Each City will be responsible for remitting their amount directly to Riverbend.

CALCULATION OF OVERHEAD PERCENTAGE

From FY 2017 Audited Amounts

	2017 Audited Amounts
Admin Divisions:	
Administration	463,599
Finance	443,052
Safety/Security	75,090
Engineering	36,296
GIS	23,997
Information Technology	25,007
Total Admin	1,067,041
Other Divisions:	
Customer Service	819,216
Water Production	3,976,485
Water Distribution	1,080,598
Sewer Collection	1,083,034
Wastewater	4,032,993
Environmental Services	366,221
Information Technology	971,583
Engineering	483,175
GIS	319,442
Composting	295,769
Operations Admin	251,882
Service Center	566,855
Water/Swr Constr	1,216,881
Field Services	525,538
Total Other	15,989,672
Total Expenses	17,056,713
Admin % of Total	6.26%

FY17 Audit Amounts:

Oper Div Total	23,039,580
Less:	
Depr	(5,292,430)
Other Expenses	(690,437)
Total	17,056,713
Rounding Difference	0

CALCULATION OF OVERHEAD PERCENTAGE

From FY 2017 Audited Amounts

Engineering & GIS Divisions Allocation to OH:

Engineering-Division 710	519,471
GIS-Division 740	<u>343,439</u>
Total	<u>862,910</u>

			Engineering Division 710	GIS Division 740	Total
<u><i>FY17 Capital Project Hours:</i></u>					
WP & MW Projects	872	6.99%	36,296	23,997	60,293
Other Projects	<u>11,608</u>	<u>93.01%</u>	<u>483,175</u>	<u>319,442</u>	<u>802,617</u>
Total	<u>12,480</u>	<u>100.00%</u>	<u>519,471</u>	<u>343,439</u>	<u>862,910</u>

Information Technology (IT) Division Allocation to OH:

Information Tech- Division 230	<u>996,590</u>
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			Info Tech Division 230
<u><i>FY17 IT Logged Workorder Hours:</i></u>			
Division 410	139	2.34%	
Division 420	10	0.17%	
Total WP & MW	149	2.51%	25,007
Other Utility Divisions	<u>5,789</u>	<u>97.49%</u>	<u>971,583</u>
Total	<u>5,938</u>	<u>100.00%</u>	<u>996,590</u>

TEXARKANA WATER UTILITIES

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION For the Year Ended September 30, 2017

With Comparative Totals for the Year Ended September 30, 2016

	Texarkana, Arkansas Water Utilities			Texarkana, Texas Water Utilities
Operating revenues:				
Water sales	\$ 3,832,936			6,830,236
Wholesale water sales	35,665			1,959,393
Water connection fees	2,755	8,058,202	• 000000 +	7,475
Sewer charges	3,909,580	14,981,378	• 000000 +	6,567,094
Penalties and service charges	424,369	1,951,211	• 000000 +	653,961
Other income	799,242	3,331,219	• 000000 +	1,129,436
Total operating revenues	<u>9,004,547</u>			<u>17,147,595</u>
Operating expenses:				
Administrative	176,567	1,953,715	• 000000 +	287,032
Finance	484,121	674,839	• 000000 +	955,521
Customer service	306,545	006		512,671
Water production	1,155,740	17,056,715	• 000000 x	2,820,745
Water distribution	418,821			661,777
Sewer collection	402,651			680,383
Wastewater treatment	1,439,104			2,593,889
Environmental service	134,813			231,408
Engineering design	212,100			307,371
Geographical information systems	128,318			215,121
Composting	110,750			185,019
Operations administration	94,766			157,116
Service center	343,141			223,714
Safety/Security	28,088			47,002
Field service	197,532	21,996	5,504	328,006
Construction oversight	448,347	4,996	1,537	768,534
Depreciation	1,961,211	103,588	17,135	3,331,219
Other expenses	15,587	1,206	409	674,850
Contract water & sewer expense-International Paper				
Total operating expense	<u>8,058,202</u>	<u>248,360</u>	<u>60,791</u>	<u>14,981,378</u>
Operating income (loss)	<u>946,345</u>	<u>218,029</u>	<u>29,081</u>	<u>2,166,217</u>
Nonoperating revenues (expense):				
Interest revenue - investments	29,952	534	78	139,145
Interest revenue - capital leases	125,648			12,657
Interest expense and paying agent fees	(581,248)	(57,462)	(7,949)	(136,219)
Interest expense - capital leases				(125,648)
Gain (loss) on disposal of capital assets	(1,978)	(70)	(23)	(5,996)
Total nonoperating revenues (expenses)	<u>(427,626)</u>	<u>(56,998)</u>	<u>(7,894)</u>	<u>(116,061)</u>
Income before contributions and transfers	518,719	161,031	21,187	2,050,156
Capital contributions				39,364
Transfers out	(255,377)			(39,997)
Change in net position	<u>263,342</u>	<u>161,031</u>	<u>21,187</u>	<u>2,049,523</u>
Total net position, beginning of year	<u>42,451,281</u>	<u>625,313</u>	<u>129,383</u>	<u>69,719,472</u>
Total net position, end of year	<u>\$ 42,714,623</u>	<u>786,344</u>	<u>150,570</u>	<u>71,768,995</u>

The notes to the financial statements are an integral part of this statement.

TEXARKANA WATER UTILITIES

WRIGHT PATMAN WATER TREATMENT PLANT- 410

	<i>Actual</i> <i>16-17</i>	<i>Budget</i> <i>17-18</i>	<i>Revised</i> <i>17-18</i>	<i>Budget</i> <i>18-19</i>	
EXPENDITURES					
Personal Services	1,139,227	1,317,571	1,216,279	1,394,455	
Supplies	827,276	887,600	941,126	1,001,330	
Repairs & Maintenance	174,498	231,749	226,749	216,749	
Contractual Services	640,516	628,409	677,432	687,019	
Capital Outlay	0	0	0	0	
TOTAL	2,781,517	3,065,329	3,061,586	3,299,553	
PERSONAL SERVICES					
511100 Supervision	153,588	163,050	155,732	166,174	
511111 Management-Regular	23,707	23,857	24,881	24,387	
511113 Management-Incentive	1,838	1,838	1,838	1,838	
511211 Supervision-Reg Pay	118,357	132,355	121,988	134,949	
511212 Supervision-Overtime	9,686	5,000	7,025	5,000	
511214 Supervision-Standby	0	0	0	0	
511411 Maintenance & Oper	520,521	658,914	556,872	698,963	+ 6.08%
511412 Overtime	74,538	43,000	95,499	43,000	
511414 Standby	0	0	0	0	
511415 Shift Differential	6,940	7,500	6,963	7,500	
511523 Payout-Comp Time	236	0	0	0	
511611 Temporary Labor	37,011	10,000	16,155	20,000	
511811 Stipend	0	0	0	0	
512111 Longevity	7,128	8,175	8,049	8,685	
512112 Group Insurance	118,304	160,891	130,538	175,624	
512114 Retirement	123,249	145,768	137,213	149,925	
512115 Social Security	56,320	67,369	62,968	70,711	
512116 Workmen's Comp	19,092	21,154	19,190	22,523	
512117 Unemployment	1,151	1,400	0	1,000	
512118 Employee Screening	256	250	0	250	
512121 Incentive	0	0	0	0	
512100 Education & Training	20,893	30,100	27,100	30,100	
512122 Seminars	4,358	6,000	3,000	6,000	
512123 Training Schools	6,088	10,000	10,000	10,000	
512124 Travel	8,422	8,000	8,000	8,000	
512125 Books & Subscriptions	0	100	100	100	
512126 Dues	1,284	3,000	3,000	3,000	
512127 Licenses	696	3,000	3,000	3,000	
512128 Awards & Certificates	45	0	0	0	
519999 Salary & Ben Transfer	0	0	0	0	
TOTAL	1,139,227	1,317,571	1,216,279	1,394,455	+ 5.84%

FY 19
to
FY 18
Change

SUPPLIES

521100 Office Supplies	1,775	2,250	2,100	2,100
521111 Paper	330	450	300	300
521112 Writing Instruments	22	50	50	50

TEXARKANA WATER UTILITIES

WRIGHT PATMAN WATER TREATMENT PLANT- 410

		<i>Actual</i> <i>16-17</i>	<i>Budget</i> <i>17-18</i>	<i>Revised</i> <i>17-18</i>	<i>Budget</i> <i>18-19</i>	
521113	Computer Supplies	631	1,000	1,000	1,000	
521114	Other Off Sup & Exp	792	750	750	750	
521115	Minor Software	0	0	0	0	
521200	Operating Supplies	7,307	8,500	8,500	8,500	
521211	Consumable Items	4,720	6,000	6,000	6,000	
521212	Non Consumable Items	2,587	2,500	2,500	2,500	
521311	Botanical Supplies	2,042	0	200	200	
521400	Safety	9,556	16,900	35,196	25,050	
521411	Personal Protect Equip	1,667	4,000	4,000	4,000	
521413	Emergency Response Eq	864	0	132	150	
521415	Facilities Maintenance	6,937	12,000	30,164	20,000	
521417	Laboratory & Environ	88	300	300	300	
521418	Storage & Handling	0	100	100	100	
521419	Grounds Maintenance	0	500	500	500	
521700	Minor Tools	2,275	8,000	6,000	6,000	
521711	Electronic Tools	30	2,000	1,000	1,000	
521712	Hand Tools	697	3,000	3,000	3,000	
521713	Power Tools	1,548	3,000	2,000	2,000	
521900	Wearing Apparel	6,116	8,300	7,800	7,800	
521911	Uniform Cost	171	0	0	0	
521912	Uniform Maintenance	5,945	8,000	7,000	7,000	
521913	All Weather Gear	0	300	300	300	
521919	Other Wearing Apparel			500	500	
522300	Laundry & Janitorial	2,548	3,000	3,000	3,000	
522311	Laundry Service					
522312	Janitorial Service	1,692	2,000	2,000	2,000	
522313	Laundry & Jan Supplies	856	1,000	1,000	1,000	
522500	Lab & Photo Supplies	26,716	32,500	32,500	34,000	
522511	Lab Supplies	5,262	6,000	6,000	6,000	
522512	Lab Chemicals	21,454	25,000	25,000	25,000	
522513	Lab Equipment Repairs	0	1,500	1,500	3,000	
522521	Photo Supplies & Exp	0				
522700	Printing	713	1,000	1,000	1,000	
522711	Stationery					
522712	Billing Forms	0				
522713	Other Forms	367	500	500	500	
522719	Other	346	500	500	500	
522800	Chemicals - Plant	707,052	755,650	793,330	862,180	
522811	Activated Carbon					
522812	Anhydrous Ammonia	27,099	21,400	25,000	25,000	
522813	Calcium Hypochlorinate					
522815	Caustic Soda	269,273	344,250	344,250	413,100	+ 20.00%
522816	Chlorine	48,735	50,000	64,080	64,080	
522817	Copper Sulphate					
522819	Hydrated Lime	0				
522821	Liquid Alum	249,289	260,000	260,000	260,000	
522822	Polymer	0	0	0	0	

TEXARKANA WATER UTILITIES

WRIGHT PATMAN WATER TREATMENT PLANT- 410

		<i>Actual</i> <i>16-17</i>	<i>Budget</i> <i>17-18</i>	<i>Revised</i> <i>17-18</i>	<i>Budget</i> <i>18-19</i>	
522823	Potassium Permanganate					
522824	Sodium Chlorite	90,453	60,000	80,000	80,000	+ 33.33%
522826	Zinc Ortho Phosphate	20,834	20,000	20,000	20,000	
522827	Sodium Hydroxide					
522839	Other	1,369	0	0	0	
522900	Chemicals - Lake	61,176	51,500	51,500	51,500	
522914	Carbon	61,176	50,000	50,000	50,000	
522916	Chlorine	0				
522917	Copper Sulphate	0	1,500	1,500	1,500	
522939	Other	0	0	0	0	
TOTAL		827,276	887,600	941,126	1,001,330	+ 12.81%

REPAIRS & MAINTENANCE

531111	Office Machines & Eq	0	0	0	0
531200	Motor Vehicles	14,583	25,400	19,700	24,700
531211	Antifreeze	21	100	100	100
531212	Batteries	224	400	400	400
531213	Filters	209	500	300	300
531214	Fuel	11,852	18,000	13,000	18,000
531215	Lubricates	181	500	500	500
531216	Parts	1,096	2,000	1,500	1,500
531217	Tires	0	2,000	2,000	2,000
531218	Labor	0	100	100	100
531219	Subcontracts	1,000	1,500	1,500	1,500
531221	Towing				
531239	Repairs Other	0	300	300	300
531700	Machinery & Equip	3,208	7,800	10,000	13,000
531711	Antifreeze		100	100	100
531712	Batteries	0	200	200	200
531713	Filters	76	500	200	200
531714	Fuel	1,453	3,000	2,000	3,000
531715	Lubricates	90	500	5,000	7,000
531716	Parts	952	1,500	1,500	1,500
531717	Tires	632	1,500	500	500
531718	Labor	0	500	500	500
531719	Subcontracts	0			
531739	Repairs Other	5			
531800	Signal Equipment	2,014	3,500	3,500	3,500
531811	Radios	0	500	500	500
531812	Telemetry	2,014	3,000	3,000	3,000
532100	Building	5,643	10,500	9,000	9,000
532111	Heating & Cooling	4,457	4,500	4,500	4,500
532112	Other Building	1,186	4,000	3,000	3,000
532113	Grounds & Parking Lots	0	2,000	1,500	1,500
533100	Water Treatment Equip	109,157	130,000	130,000	112,000
533111	Intake	18,669	40,000	40,000	22,000
533112	Plant	88,572	70,000	70,000	70,000

TEXARKANA WATER UTILITIES

WRIGHT PATMAN WATER TREATMENT PLANT- 410

		<i>Actual</i> <i>16-17</i>	<i>Budget</i> <i>17-18</i>	<i>Revised</i> <i>17-18</i>	<i>Budget</i> <i>18-19</i>	
533113	Booster Stations	1,916	20,000	20,000	20,000	
533200	Water Transmission Mains	24,657	29,000	29,000	29,000	
533211	Raw Water Mains	112	4,000	4,000	4,000	
533212	Treated Water Mains	5,069	5,000	5,000	5,000	
533213	Member Cities Mains	19,476	20,000	20,000	20,000	
533500	Fire Hydrants	0	0	0	0	
533511	Fire Hydrants					
533512	Fire Hydrants-LTWSC					
533600	Tanks & Reservoirs	20,211	30,000	30,000	30,000	
533611	MC Tanks & Reservoirs	14,187	20,000	15,000	15,000	
533612	Other Tanks & Reserv	6,024	10,000	15,000	15,000	
534100	Sewer Equipment R & M	500	1,000	1,000	1,000	
534121	Sewer Instrument R&M	500	1,000	1,000	1,000	
533711	Sludge Pond Maintenance					
539998	Equipment Utilization	0	0	0	0	
539999	Equipment Apportionment	(5,475)	(5,451)	(5,451)	(5,451)	
TOTAL		174,498	231,749	226,749	216,749	- 6.47%

CONTRACTUAL SERVICES

541111	Accounting & Audit	2,344	5,692	5,270	5,692	
541311	Communications	11,702	15,000	11,000	11,000	
541700	Rentals	6,856	4,000	4,000	4,000	
541711	Equipment Rental	6,856	4,000	4,000	4,000	
541712	Building Rental					
541900	Fees and Permits	51,737	53,500	54,597	52,500	
541911	Water System Serv Fee	51,737	52,000	51,737	52,000	
541912	Water System Permits	0	500	500	500	
541919	Other Fees & Permits	0	1,000	0	0	
541931	Fines & Penalties			2,360		
542411	Freight Charges					
543111	Refuse Hauling	2,013	2,000	2,115	2,115	
543400	Insurance	42,239	42,555	44,181	44,472	
543411	Property Insurance	35,070	35,200	36,306	36,325	
543412	Liability Insurance	3,648	3,655	3,912	4,147	
543413	Automotive Insurance	3,521	3,700	3,963	4,000	
543600	Laboratory Services	15,656	14,800	14,140	14,800	
543611	State Lab Fees	755	800	755	800	
543612	Commercial Lab Fees	14,901	12,000	12,385	13,000	
543613	Comm Lab Fees-Other	0	2,000	1,000	1,000	
543900	Legal	0	0	0	0	
543911	Legal Advertising					
543913	Attorney Fees					
544100	Maintenance Contracts	5,233	11,924	12,388	12,699	
544111	Computer					
544112	Software	3,211	8,000	7,500	7,500	
544113	Internet Service	1,157	924	1,525	1,836	
544119	Other Maint Contract	865	3,000	3,363	3,363	

TEXARKANA WATER UTILITIES

WRIGHT PATMAN WATER TREATMENT PLANT- 410

		<i>Actual 16-17</i>	<i>Budget 17-18</i>	<i>Revised 17-18</i>	<i>Budget 18-19</i>	
544900	Postage	2,109	2,625	2,125	2,125	
544911	Postage	0	125	125	125	
544912	Special Delivery	2,109	2,500	2,000	2,000	
545200	Power Purchases	283,795	283,000	285,303	290,303	+ 2.58%
545211	Electrical	279,179	275,000	275,000	280,000	
545212	Gas	4,616	8,000	10,303	10,303	
545511	Power Purchases - Lake	216,101	190,000	240,000	245,000	+ 28.95%
545700	Special Services	118	2,700	1,700	1,700	
545711	One Call Services					
545712	Pest Control		200	200	200	
545719	Other Special Services	118	2,500	1,500	1,500	
546311	Water Rights	613	613	613	613	
TOTAL		640,516	628,409	677,432	687,019	+ 9.33%

CAPITAL OUTLAY

551114	Machinery & Equipment	0	0	0	0
551115	Communications Equip	0	0	0	0
TOTAL		0	0	0	0

TOTAL BUDGET	2,781,517	3,065,329	3,061,586	3,299,553	+ 7.64%
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100% Texas

3,299,553

16-17 Actual Exp not included on budget sheet above:	
Pay Out - Annual Leave	0
Pay Out - Post Ret Ins	236
Accrued Payroll	5,265
Accrued Vacation and Sick	1,946
Accrued Laundry & Janitorial	(5)
Accrued Water Treatment Equip	480
Accrued Special Delivery Service	0
Accrued Power Purchases- Plant	9,988
Accrued Power Purchases- Lake	24,141
	<u>42,050</u>
Reconciliation:	
Total Actual Exp Above for 16-17	2,781,517
Additional Expenses for 16-17	<u>42,050</u>
	2,823,567
Balance on 2017 True Up Detail (pg 27)	<u>2,823,566</u>
Difference (Rounding)	1

TEXARKANA WATER UTILITIES

MILLWOOD WATER TREATMENT PLANT- 420

	<i>Actual</i> <i>16-17</i>	<i>Budget</i> <i>17-18</i>	<i>Revised</i> <i>17-18</i>	<i>Budget</i> <i>18-19</i>
EXPENDITURES				
Personal Services	352,327	302,699	278,887	334,041
Supplies	139,351	279,625	245,811	254,275
Repairs & Maintenance	124,581	95,582	97,925	95,425
Contractual Services	601,885	702,995	660,304	710,262
Capital Outlay	0	0	0	0
TOTAL	1,218,144	1,380,901	1,282,927	1,394,003

FY 19
to
FY 18
Change

PERSONAL SERVICES

511200	Supervision	50,841	54,520	47,063	55,692
511111	Management-Regular	23,855	23,857	23,305	24,387
511113	Management-Incentive	1,838	1,838	1,838	1,838
511211	Supervision-Regular	24,062	28,325	21,420	28,967
511212	Supervision-Overtime	1,071	500	500	500
511214	Supervision-Standby	15	0	0	0
511411	Maintenance & Oper	168,099	149,565	134,912	173,255
511412	Overtime	27,537	5,000	8,354	5,000
511415	Shift Differential	1,348	500	500	500
511523	Payout- Comp Time	0	0	0	0
511611	Temporary Labor	300	0	0	0
511811	Stipend	0	0	0	0
512111	Longevity	5,688	3,780	4,389	4,260
512112	Group Insurance	34,698	30,807	29,667	31,332
512114	Retirement	40,850	35,429	32,543	38,833
512115	Social Security	19,989	16,374	14,934	18,315
512116	Workmen's Comp	2,085	1,677	1,478	1,807
512118	Employee Screening	92	47	47	47
512121	Incentive	0	0	0	0
512100	Education & Training	800	5,000	5,000	5,000
512122	Seminars	70		0	0
512123	Training Schools	0	2,000	2,000	2,000
512124	Travel	280	2,000	2,000	2,000
512125	Books & Subscriptions				
512126	Dues	120	500	500	500
512127	Licenses	330	500	500	500
512128	Awards & Certificates				
519999	Salary & Benefit Transfer	0	0	0	0

+ 15.84%

TOTAL	352,327	302,699	278,887	334,041	+ 10.35%
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SUPPLIES

521100	Office Supplies	30	525	425	425
521111	Paper	0	50	50	50
521112	Writing Instruments	0	25	25	25
521113	Computer Supplies	19	300	200	200

TEXARKANA WATER UTILITIES

MILLWOOD WATER TREATMENT PLANT- 420

		<i>Actual</i> <i>16-17</i>	<i>Budget</i> <i>17-18</i>	<i>Revised</i> <i>17-18</i>	<i>Budget</i> <i>18-19</i>	
521114	Other	11	150	150	150	
521115	Minor Software Lic	0	0	0	0	
521200	Operating Supplies	2,188	2,500	2,500	2,500	
521211	Consumable Items	2,135	2,000	2,000	2,000	
521212	Non Consumable Items	53	500	500	500	
521311	Botanical Supplies	0	0	0	0	
521400	Safety	3,498	4,800	12,836	6,500	
521411	Personal Protect Equip	1,259	1,500	1,000	1,000	
521413	Emergency Response Eq	787	300	0	0	
521415	Facilities Maintenance	1,342	2,000	11,336	5,000	
521417	Laboratory & Environ					
521418	Storage & Handling					
521419	Grounds Maintenance	110	1,000	500	500	
521700	Minor Tools	655	1,400	2,200	2,000	
521711	Electronic Tools					
521712	Hand Tools	655	1,000	1,200	1,000	
521713	Power Tools	0	400	1,000	1,000	
521900	Wearing Apparel	1,538	2,050	1,550	2,050	
521911	Uniform Cost					
521912	Uniform Maintenance	1,538	2,000	1,500	2,000	
521913	All Weather Gear	0	50	50	50	
521919	Other Wearing Apparel					
522300	Laundry & Janitorial	1,467	2,400	1,900	2,400	
522311	Laundry Service					
522312	Janitorial Service	1,214	2,000	1,500	2,000	
522313	Laundry & Jan Supplies	253	400	400	400	
522500	Lab & Photo Supplies	4,339	5,750	4,000	4,000	
522511	Lab Supplies	637	1,000	1,000	1,000	
522512	Lab Chemicals	3,702	4,250	2,000	2,000	
522513	Lab Equipment Repairs		500	1,000	1,000	
522521	Photo Supplies & Exp					
522700	Printing	0	200	400	400	
522711	Stationery					
522712	Billing Forms					
522713	Other Forms					
522719	Other	0	200	400	400	
522800	Chemicals - Plant	125,636	260,000	220,000	234,000	- 10.00%
522811	Activated Carbon					
522812	Anhydrous Ammonia	13,244	15,000	10,000	15,000	
522813	Calcium Hypochlorinate					
522815	Caustic Soda		70,000	70,000	84,000	+ 20.00%
522816	Chlorine	18,468	25,000	25,000	25,000	
522817	Copper Sulphate					
522819	Hydrated Lime	26,125	40,000	5,000	0	- 100.00%
522821	Liquid Alum	56,235	80,000	80,000	80,000	

TEXARKANA WATER UTILITIES

MILLWOOD WATER TREATMENT PLANT- 420

		<i>Actual</i> 16-17	<i>Budget</i> 17-18	<i>Revised</i> 17-18	<i>Budget</i> 18-19	
522822	Polymer					
522823	Potassium Permanganate					
522824	Sodium Chlorite					
522826	Zinc Ortho Phosphate	11,564	20,000	20,000	20,000	
522839	Other Chemicals	0	10,000	10,000	10,000	
522914	Chemicals-Carbon					
TOTAL		139,351	279,625	245,811	254,275	- 9.07%

REPAIRS & MAINTENANCE

531111	Office Machines & Eq				
531200	Motor Vehicles	2,781	3,157	3,150	3,150
531211	Antifreeze	1	50	50	50
531212	Batteries		100	100	100
531213	Filters	34	50	50	50
531214	Fuel	1,614	2,000	2,000	2,000
531215	Lubricates	43	100	100	100
531216	Parts	940	50	50	50
531217	Tires	149	800	800	800
531218	Labor				
531219	Subcontract	0			
531239	Other	0	7	0	0
531700	Machinery & Equip	15,706	19,925	17,275	19,775
531711	Antifreeze	36	50	50	50
531712	Batteries	0	200	200	200
531713	Filters	4	25	25	25
531714	Fuel	5,509	12,000	8,000	10,000
531715	Lubricates	1,188	150	1,000	1,500
531716	Parts	4,536	5,000	5,000	5,000
531717	Tires	24	500	500	500
531718	Labor	3,899	2,000	2,500	2,500
531719	Subcontract	510			
531739	Other				
531800	Signal Equipment	168	1,000	3,500	3,500
531811	Radios				
531812	Telemetry	168	1,000	3,500	3,500
532100	Building	1,204	5,000	5,000	5,000
532111	Heating & Cooling	0	2,000	2,000	2,000
532112	Other Building	1,204	3,000	3,000	3,000
532113	Grounds & Parking Lots	0			
533100	Water Treatment Equip	94,636	60,000	60,000	55,000
533111	Intake	18,064	20,000	0	15,000
533112	Plant	65,214	25,000	50,000	30,000
533113	Booster Station	11,358	15,000	10,000	10,000
533200	Water Transmission Mains	2,406	2,500	5,000	5,000
533211	Raw Water Mains	1,027			

TEXARKANA WATER UTILITIES

MILLWOOD WATER TREATMENT PLANT- 420

		<i>Actual</i> 16-17	<i>Budget</i> 17-18	<i>Revised</i> 17-18	<i>Budget</i> 18-19	
533212	Treated Water Mains	1,379	2,500	5,000	5,000	
533213	Member Cities Mains					
533500	Fire Hydrants	0	0	0	0	
533511	Fire Hydrants					
533512	Fire Hydrants-LTWSC					
533600	Tanks & Reservoirs	4,184	4,000	4,000	4,000	
533611	MC Tanks & Reservoirs					
533612	Other Tanks & Reserv	4,184	4,000	4,000	4,000	
533711	Sludge Pond Maintenance	3,496	0	0	0	
539998	Equipment Utilization	0	0	0	0	
TOTAL		124,581	95,582	97,925	95,425	- 0.16%

CONTRACTUAL SERVICES

541111	Accounting & Audit	1,406	2,290	2,120	2,290
541311	Communications	8,071	9,527	9,500	9,500
541700	Rentals	1,615	3,000	2,000	2,000
541711	Equipment Rental	1,615	3,000	2,000	2,000
541712	Building Rental				
541900	Fees and Permits	43,106	48,106	48,160	48,160
541911	Water System Serv Fee	42,196	45,706	45,760	45,760
541912	Water System Permits	0	1,400	400	400
541919	Other Fees & Permits	910	1,000	2,000	2,000
541923	Wastewater Permit				
541931	Fines & Penalties				
543400	Insurance	13,899	13,930	14,366	14,419
543411	Property Insurance	12,877	12,900	13,331	13,340
543412	Liability Insurance	653	655	650	689
543413	Automotive Insurance	369	375	385	390
543600	Laboratory Services	136	3,000	500	500
543611	State Lab Fees				
543612	Comm Lab Fees-POTW	136	3,000	500	500
543613	Comm Lab Fees-Other				
544100	Maintenance Contracts	283	442	782	785
544111	Computer				
544112	Software				
544113	Internet Service	578	442	782	785
544119	Other Equipment	(295)	0	0	0
544911	Postage	0	0	0	0
544912	Special Delivery Service	30	0	0	0
545200	Power Purchases	188,760	250,000	190,000	195,000
545211	Electrical	188,760	250,000	190,000	195,000
545212	Gas				
545700	Special Services	15	700	700	700
545711	One Call Services				
545712	Pest Control		300	300	300

TEXARKANA WATER UTILITIES

MILLWOOD WATER TREATMENT PLANT- 420

		<i>Actual</i> 16-17	<i>Budget</i> 17-18	<i>Revised</i> 17-18	<i>Budget</i> 18-19	
545719	Other Special Services	15	400	400	400	
546311	Water Rights	128,749	165,000	140,000	165,000	
546312	Water Rights-10MG	215,815	207,000	252,176	271,908	100% AR
TOTAL		601,885	702,995	660,304	710,262	
	Less: Water Rights - 10MG (100% Arkansas)	(215,815)	(207,000)	(252,176)	(271,908)	
		386,070	495,995	408,128	438,354	- 11.62%

CAPITAL OUTLAY

551111	Office Furn & Equipment				
551114	Machinery & Equipment				
551115	Communications				
TOTAL		0	0	0	0

TOTAL BUDGET	1,002,329	1,173,901	1,030,751	1,122,095	- 4.41%
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100% Arkansas

1,122,095**16-17 Actual Exp not included on budget sheet above:**

Pay Out - Annual Leave	2,062
Pay Out - Sick Leave	14,771
Pay Out - Post Retirement Insurance	7,292
Accrued Payroll	(1,130)
Accrued Vacation and Sick	(3,862)
Accrued Water Treatment	260
Accrued Communication Exp	498
Accrued Other Building Expense	0
Accrued Power Purchases	1,439
	<u>21,331</u>

Reconciliation:

Total Actual Exp Above for 16-17	1,002,329
Additional Expenses for 16-17	21,331
	<u>1,023,660</u>
Balance on 2017 True Up Detail (pg 27)	<u>1,023,664</u>
Difference (Rounding)	(4)

TEXARKANA WATER UTILITIES
MEMBER CITIES BILLING
WRIGHT PATMAN SLUDGE PROCESSING COST
FY 2019 ESTIMATED

Composting Costs:**Compost Division Budget Expenses (580):**

Personal Services	186,308
Supplies	10,465
Repairs & Maintenance	131,640
Contractual Services	17,151
Capital Outlays	0
Total Division Expenses	<u>345,564</u>

Other Labor & Benefits (530):

Operator II (1300 Bldg)	37,500
Plant Mechanic I (1/2)	<u>16,379</u>
Total Other Labor	<u>53,879</u>

Benefit Percentage	X	<u>54.36%</u>
Total Benefit Cost		<u>29,290</u>

Total Other Labor & Benefits	<u>83,169</u>
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Total Composting & Other Labor Costs	428,733
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Amount Attributable to Water Treatment**Plant Sludge (TSS):**

Wright Patman Solids (Metric Tons)	1,159.820
South Regional Influent Solids (Metric Tons)	<u>2,050.610</u>
Water Treatment TSS Ratio	<u>56.55976%</u>

Total Applicable Compost Costs	242,490
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Sludge Chemical Costs:

Total Cost of Polymer	100,700
Water Treatment TSS Ratio	<u>56.55976%</u>

Total Sludge Chemical Costs	56,956
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Transportation Costs:

200 Site Pumping Costs (Electrical)	80,629
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Amount Attributable to Water Treatment Plant Waste:

Wright Patman Gallons Wasted (Mil Gallons)	236.271
South Regional Influent Flows (Mil Gallons)	<u>3,124.800</u>
Water Treatment Plant Volume Ratio	<u>7.56116%</u>

Total Transportation Costs	6,096
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Total Estimated Sludge Processing Costs Applicable to Water Plant	305,542
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Less Compost Sales:

Total Compost Sales (Estimated)	100,500
Water Treatment TSS Ratio	<u>56.55976%</u>
Sales Applicable to Water Treatment Plant Sludge	<u>(56,843)</u>

Net Sludge Processing Costs Applicable to Water Plant	<u>248,699</u>
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TEXARKANA WATER UTILITIES

Millwood Water Treatment Plant Depreciation Fund

		Actual FY 2017	Proposed FY 2018	Revised FY 2018	Proposed FY 2019
BEGINNING BALANCE		1,418,864	977,650	1,153,456	1,420,361
REVENUE					
Transfer from Revenues		156,000	392,500	392,500	386,500
Plans/Specs		300	0	0	0
Interest Income		4,692	0	6,200	6,300
TOTAL REVENUE		160,992	392,500	398,700	392,800
TOTAL FUNDS AVAILABLE		1,579,856	1,370,150	1,552,156	1,813,161
EXPENDITURES					
Paint Bridge Pipework	A/T131801		225,000	0	225,000
Storage Building	A/T131802		11,500	0	15,000
Replace Chlorinators	A/T131705	4,543		35,571	
Scott SCBA Safety Equip-Emerg Repl.	A131518				
Filter Rehab- Phases IV- VII	A/T131706	38,306			
Rebuild HS Pump/ Motor	A/T131707				
Replace Mixed Gas Detector	A/T131612				
Replace Caustic Pumps/ Drives	A/T131708	10,729		4,678	
Caustic Tank	A/T131614	612		39,488	
Concrete Foundation for Caustic Tanks	A/T131620	49,382			
Digital Radios	A/T131709				
Chlorine Scales	A/T131710	13,344			
Chemical Bldg, HVAC Repl	A/T131711			18,757	
Pipe Galley Repairs	A/T131712	8,934			
Sludge Pond Cleaning- 2017	A/T131803	119,703	100,000	0	120,000
Caustic Pumps/Drives	A/T131714	12,601		(84)	
Ultrasonic Raw Meter	A/T131715	4,058			
Intake Aeration	A/T131716				
De-ionized Water System	A/T131717				
MW Settling Basin Repairs- 2017	A/T131718	4,705		186	
MW Concrete Repairs	A/T131719	159,483			
Lawn Tractor	A/T131804		11,000	10,961	
Replace Valves- Filters 5 & 6	A/T131805		230,000	0	385,000
Replace Gate Actuator	A/T131806		7,000	7,000	
Repair High Service Pump	A/T131807		80,000	15,237	80,000
Basin Lining (1)	A/T131808		180,000	0	275,000
High Service Pump Building Heat Unit					11,500
Clearwell Mixer					13,000
#3 High Service Ball Valve/Actuator					75,000
Surface Wash Nozzle Replacement					9,000
TOTAL EXPENDITURES		426,400	844,500	131,795	1,208,500
ENDING BALANCE		1,153,456	525,650	1,420,361	604,661
Transfers from Revenue:		62.63%	62.75%	62.75%	62.81%
Arkansas Share		38,491	58,110	58,110	55,785
Additional Contribution-Arkansas		0	0	0	0
Arkansas Total		38,491	58,110	58,110	55,785
Texas Share		97,703	97,890	97,890	94,215
Additional Contribution-Texas		19,806	236,500	236,500	236,500
Texas Total		117,509	334,390	334,390	330,715
Total		156,000	392,500	392,500	386,500
Ending Balances:					
Arkansas		847,366	523,764	860,938	471,101
Texas		306,090	1,886	559,423	133,560
Total		1,153,456	525,650	1,420,361	604,661

TEXARKANA WATER UTILITIES

LTWSC Capital Improvement Fund

		Actual FY 2017	Proposed FY 2018	Revised FY 2018	Proposed FY 2019
BEGINNING BALANCE		868,382	863,323	850,811	560,538
REVENUE					
Member Cities		64,742	77,383	77,383	60,801
Transfers from Arkansas		182,814	231,925	231,925	181,933
Transfers from Texas		306,385	390,692	390,692	307,266
Other Transfers from Arkansas		2,000		2,000	
Other Transfers from Texas					
Interest Income		2,808	6,784	3,782	4,490
Insurance Proceeds					
Miscellaneous		1,056	500	600	600
TOTAL REVENUE		559,805	707,284	706,382	555,090
TOTAL FUNDS AVAILABLE		1,428,187	1,570,607	1,557,193	1,115,628
EXPENDITURES					
Repair Annona Ground Storage Tank	L121520	14			
Rebuild HS Pump	L121602	49,995			
(1/2) Ton Pickup	L121625	3,819			
Lateral Filing Cabinets	L121704	0	0	1,040	
Flammable Cabinet	L121705	1,108			
Filter Media Replacement	L121707		300,000	300,000	
TCEQ Item: Filter Troughs	L121710	2,623	300,000	300,000	
TCEQ Item: Basin Lining (1 Basin)	L121711	0	160,000	3,100	160,000
Replace Crew Dually	L121712	40,595			
Chlorine Scales	L121714	13,458			
New Boston- Omni Meter	L121715	4,303			
Replace #4 Drain Valve Actuator	L121716	8,050			
Replace (3) 30" Drain Valves/Actuators	L121718	75,000			
Replace (4) 24" Backwash Valves/Actuators	L121719	65,000			
Member City Tank Aerator	L121720	3,990		9,980	
Power Inverter for Electrician Van	L121721	1,424			
Front Gate Operator	L121722	5,206			
Portable Flow Meter	L121724	5,189			
(2) 6" Surface Wash Valves/Actuator-#5, #6 Filters	L121726	6,692			
Lab Spectrophotometer	L121727	4,174			
Member Cities Ground Storage Tank Repairs (6)	L121731	214,835			
Settling Basin Repairs	L121732	4,968			
Replace MC Line Segment @ Hooks	L121733	2,907	200,000	0	200,000
Sodium Chlorite Tank	L121734	17,520			
Wire Welder	L121736	2,344			
Lab/Filter Building Flooring	L121737	0		10,000	
Upgrade SCADA System	L121801	7,986	45,000	45,000	
Ball Valve/Actuator, 20"- #1 Intake	L121802	0	68,000	0	
TCEQ Item: Basin Gates and Weirs (Flow Distr.)	L121805	0	25,000	75,000	
Replace 2nd Ammonia Pipe Stinger	L121806	0	7,500	0	8,500
High Service #5 Pump Bowl	L121807	0	50,000	0	65,000
Rebuild #2 Low Service	L121808	36,176	45,000	45,000	
1/2 Ton Crew Truck	L121810		34,500	34,500	
Filter Effluent Valve Position/Filter Head Gauges	L121811		45,000	36,243	
Chlorine Dioxide Scales	L121812		20,000	11,792	
Raw Water Valve Actuator	L121813		20,000	20,000	
Filter Effluent Valve and Mag Meter	L121814		30,000	30,000	
High Service Pump/Motor Repair	L121815		90,000	0	90,000

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

TEXARKANA WATER UTILITIES

LTWSC Capital Improvement Fund

		<i>Actual FY 2017</i>	<i>Proposed FY 2018</i>	<i>Revised FY 2018</i>	<i>Proposed FY 2019</i>
Filter Control for #3, #5, #6 & #7 Filters	L121816		45,000	45,000	
Settled Water Mixing Chamber	L121817		30,000	30,000	
Rate of Flow Venturies for 4 Filter Effluent Lines					49,000
#2 Influent Valve/Actuator					16,000
East Alum Pump Replacement					4,500
#1 Intake Pump/Gate & Ball Valves/Actuator, Piping					59,500
East Basin Sludge Rakes					48,000
Chlorine Dioxide Enclosure/Leak Detection					20,000
Pump and Motor Rebuild					80,000
Surface Wash Arms/Bearings/Nozzle					49,000
Replace Pump Room Flooring					16,000
Filter Troughs PH II					200,000
TCEQ Required Flow Distribution Design					50,000
TOTAL EXPENDITURES		577,376	1,515,000	996,655	1,115,500
ENDING BALANCE		850,811	55,607	560,538	128

**TREATED WATER BY PLANT (000's)
FYE 9/30/18**

	<u>Wright Patman</u>	<u>Millwood</u>	<u>Total</u>	
AUG 2017	394,695	101,887	496,582	
SEP 2017	430,081	85,196	515,277	
OCT 2017	423,959	101,289	525,248	
NOV 2017	348,496	82,965	431,461	
DEC 2017	327,653	81,241	408,894	
JAN 2018	375,380	70,709	446,089	
FEB 2018	282,371	113,488	395,859	
MAR 2018	311,536	96,931	408,467	
APR 2018	311,473	81,062	392,535	
MAY 2018	412,551	80,904	493,455	
JUN 2018	398,496	155,419	553,915	
JUL 2018	438,476	145,592	584,068	
				<u>MW %</u>
Total Gallons-Prior 12 Mos.	<u>4,455,167</u>	<u>1,196,683</u>	<u>5,651,850</u>	<u>21.17%</u>
Projected FY18 Ending Plant Usage	3,817,474	1,834,376	5,651,850	<u>32.46%</u>
<u>Millwood Plant Usage:</u>				
Revised Estimated FY18	32.46%			
Estimated FY18	32.31%			
FY17 Actual	29.61%			
FY16 Actual	41.00%			

FY18 Estimated Consumption (1000 Gallons)
Oct 2017- Jul 2018 (with Aug- Sept 2018 Estimated)

2020-059 ATTH 01

6.3.c

	OCT/ APR	NOV/ MAY	DEC/ JUN	JAN/ JUL	Estimated based on Aug & Sept 2017		YTD	% of TOTAL
					FEB/ AUG	MAR/ SEP		
Oak Grove, TX	1974.910 1994.720	2091.880 2465.090	2401.300 2489.090	1822.830 2396.910	1584.150 2252.670	2278.820 2187.780	25940.150	0.45
Redwater, TX	10685.400 13288.000	9832.300 12439.150	12338.650 13801.900	10980.750 13125.900	7657.250 11314.100	10352.200 13075.250	138890.850	2.45
Central Bowie County	25378.840 16324.920	18383.410 23840.200	20865.530 27836.163	20069.360 20962.660	17202.990 22731.900	17240.060 27272.300	258108.333	4.56
Nash, TX	8272.000 5375.000	8577.000 9769.000	8684.000 8624.000	8795.000 8758.000	6593.000 8221.000	7426.000 9074.000	98168.000	1.73
Macedonia Eylau	13609.718 12873.758	13622.148 18070.352	15484.018 19341.990	14675.570 17126.700	12712.647 13027.658	14763.661 15605.939	180914.159	3.20
Red River County	0.090 0.000	1461.570 0.480	0.090 493.760	32.290 786.100	0.000 626.160	0.730 1007.190	4408.460	0.07
Day & Zimmerman	398.900 640.000	385.000 540.000	1646.800 1260.000	2030.000 370.000	680.000 522.800	630.000 185.200	9288.700	0.16
Leary, TX	944.590 1273.900	1363.160 1685.060	1488.200 1811.720	1345.970 1893.620	1256.870 1342.510	1629.170 1794.510	17829.280	0.31
Mandeville, AR	2086.577 1734.647	1578.501 2360.541	1723.539 2862.454	2568.910 3707.061	2006.133 2587.099	2294.849 2281.027	27791.338	0.49
Union Water	8279.167 7020.747	5613.739 9207.566	7291.275 10254.174	8867.136 12471.033	9520.438 7749.437	9126.548 8186.372	103587.632	1.83
MCPWA	3930.000 4300.000	3785.000 4925.000	4060.000 5225.000	3750.000 5290.000	3820.000 4515.000	6930.000 3100.000	53630.000	0.94
RWRD-TAC East	0.000 1858.210	0.000 1884.087	0.000 2310.318	3783.275 2359.766	2824.219 1010.690	1682.486 569.301	18282.352	0.32
Total Wholesale	75560.192 66683.902	66693.708 87186.526	75983.402 96310.569	78721.091 89247.750	65857.697 75901.024	74354.524 84338.869	936839.254	
New Boston, TX	38159.060 22694.870	34090.370 28521.930	32692.140 32421.490	29120.120 34285.530	30205.740 38760.838	33044.863 40584.704	394581.655	6.98
Hooks, TX	12894.800 11537.200	12037.600 14949.900	14413.300 15908.200	13183.200 15049.200	11880.100 11836.000	13186.100 14308.500	161184.100	2.85
DeKalb, TX	6214.000 4384.000	7018.000 7188.000	8306.000 7662.000	6396.000 7194.000	5214.000 5948.000	5454.000 6392.000	77370.000	1.36
Wake Village, TX	13711.000 10711.000	12521.000 16822.000	13420.000 17936.000	10621.000 17323.000	10990.000 13257.000	12106.000 16585.000	166003.000	2.93
Maud, TX	3889.000 2923.000	2725.000 4041.000	4951.000 4403.000	3188.000 4435.000	4337.000 3447.000	4351.000 5372.000	48062.000	0.85
Avery, TX	1638.500 1157.400	2092.400 1395.400	1885.200 1766.100	1844.900 1712.900	1487.100 1573.000	1632.500 1900.700	20086.100	0.3554%

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES

**FY18 Estimated Consumption (1000 Gallons)
Oct 2017 - Jul 2018 (with Aug- Sept 2018 Estimated)**

	Estimated based on Aug & Sept 2017							YTD	% OF TOTAL
	OCT/ APR	NOV/ MAY	DEC/ JUN	JAN/ JUL	FEB/ AUG	MAR/ SEP			
Annona, TX	886,222 520,255	1,305,269 746,132	568,740 654,091	961,039 1,085,826	548,072 644,573	532,338 596,571		9049,128	0.1601%
RWRD	36570.870 13933.060	36118.190 13749.283	28743.930 16914.772	32519.570 19749.000	23021.360 35979.460	12297.504 31533.960		301130.959	5.3280%
Total Member Cities & RWRD	113963.452 67860.785	107907.829 87413.645	104980.310 97665.653	97833.829 100834.456	87683.372 111445.871	82604.305 117273.435		1177466.942	
Total Wholesale, Member Cities & RWRD	189523.644 134544.687	174601.537 174600.171	180963.712 193976.222	176554.920 190082.206	153541.069 187346.895	156958.829 201612.304		2114306.196	
Texarkana, AR	114544.056 103412.242	87985.196 125503.883	80265.864 142960.800	103058.156 139671.058	97294.536 113024.186	90868.722 115803.779		1314392.478	23.2560%
Texarkana, TX	221180.300 154578.071	168874.267 193350.946	147664.424 216977.978	166475.924 254314.736	145023.395 196210.919	160639.449 197860.917		2223151.326	39.3349%
Total Texarkana	335724.356 257990.313	256859.463 318854.829	227930.288 359938.778	269534.080 393985.794	242317.931 309235.105	251508.171 313664.696		3537543.804	
Total All	525248.000 392535.000	431461.000 493455.000	408894.000 553915.000	446089.000 584068.000	395859.000 496582.000	408467.000 515277.000		5651850.000	100.0000%

2020-059 ATTH 01

6.3.c

City of Texarkana, Texas
Proposed Water Production Rate By Plant
9/30/2019

	<u>Division 410</u>	<u>Sludge-WP</u>	<u>Total LWP</u>	<u>Division 420</u>	<u>Sludge-MW</u>	<u>Total MW</u>	<u>Total Blended</u>
<u>EXPENDITURES</u>							
Personnel Services	1,394,455		1,394,455	334,041		334,041	1,728,496
Supplies	1,001,330		1,001,330	254,275		254,275	1,255,605
Repairs & Maintenance	216,749		216,749	95,425		95,425	312,174
Contractual Services	687,019		687,019	438,354		438,354	1,125,373
Subtotal	3,299,553	-	3,299,553	1,122,095	-	1,122,095	4,421,648
Sludge Costs	-	242,490	242,490		120,000	120,000	362,490
Sludge Chemical/Transp Cost		63,052	63,052		-	-	63,052
Composting Revenue	-	(56,843)	(56,843)	-	-	-	(56,843)
Subtotal	-	248,699	248,699	-	120,000	120,000	368,699
Administration Costs 6.26%	206,552	15,569	222,121	70,243	7,512	77,755	299,876
Total Water Production Cost	3,506,105	264,268	3,770,373	1,192,338	127,512	1,319,850	5,090,223
Estimated Gallons By Plant			3,817,474			1,834,376	5,651,850
Estimated Cost Per 1,000 Gal			0.9877			0.7195	0.9006
			LWP			MW	Total
Prior Year			0.9564			0.7555	0.8914

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City of Texarkana, Texas
Proposed Water Production Rate
9/30/2019

Water Production (both lakes)	Amount As Budgeted 2019	
Total Gallons	5,651,850	(in thousands)
* Total Cost	5,090,223	
Water Rate	0.9006	(per thousand) 1.04% Increase
<i>Prior Year Water Rate</i>	<i>0.8914</i>	

* The total costs include the following four components of the Texarkana Water Department:

- 1) Wright Patman (410)
- 2) Millwood (420)
- 3) Sludge Processing - LWP and \$120,000.00 for Millwood
- 4) Administrative Overhead - **6.26%** of the sum of 1, 2 and 3 as listed above

City of Texarkana, Texas
Proposed Water Production Rate By City

9/30/2019

Water Rate Calculation					
ANNUAL			MONTHLY		
<i>(in thousands)</i>			<i>(in thousands)</i>		
2019 Budgeted Gallons as Estimated by the Water Department	Budgeted Cost Total as Estimated by the Water Department	Estimated 2019 Water Rate	Monthly Billing - Water Cost Only	Monthly Gallons	
New Boston	394,582	355,372	0.9006	29,614	32,882
Hooks	161,184	145,167	0.9006	12,097	13,432
Dekalb	77,370	69,682	0.9006	5,807	6,448
Wake Village	166,003	149,507	0.9006	12,459	13,834
Maud	48,062	43,286	0.9006	3,607	4,005
Avery	20,086	18,090	0.9006	1,508	1,674
Annona	9,049	8,150	0.9006	679	754
Total	876,336	789,254	0.9006	65,771	73,027
Texarkana, AR	1,499,401	1,350,405	0.9006	112,534	124,950
Texarkana, TX	2,974,982	2,679,356	0.9006	223,280	247,915
RWRD	301,131	271,207	0.9006	22,601	25,094
Total	4,775,514	4,300,969	0.9006	358,414	397,960
Total All Cities	5,651,850	5,090,223	0.9006	424,185	470,987

Cost is defined as water production cost of LWP and Millwood lakes.
Gallons above are total gallons from both lakes.

City of Texarkana, Texas
Proposed Infrastructure Rate
9/30/2019

	<u>Original Ownership %</u>	<u>Revised Ownership %</u>	<u>Annual</u>	<u>Monthly</u>
Member Cities				
New Boston	3.572227%	3.572227%	19,647.25	1,637.27
Hooks	2.275268%	2.275268%	12,513.97	1,042.83
DeKalb	2.143895%	2.143895%	11,791.42	982.62
Wake Village	1.632379%	1.632379%	8,978.08	748.17
Maud	1.123658%	1.123658%	6,180.12	515.01
* Avery	0.419275%	0.419275%	2,190.12	182.51
Annona	0.307469%	0.307469%	1,691.08	140.92
Total Member Cities	11.474171%	11.054896%	60,801.93	5,066.82
Texarkana				
** Texarkana, AR	32.792567%	32.792567%	181,932.76	15,161.06
** Texarkana, TX	55.733262%	56.152537%	307,265.31	25,605.44
Total Texarkana	88.525829%	88.945104%	489,198.07	40,766.50
Grand Total	100.000000%	100.000000%	550,000.00	45,833.32

Contribution Required for 2019 for projects in the LTWSC Capital Improvement Fund = \$550,000

*Texarkana, TX took control of Avery's ownership interest

**Texarkana portion allocated betw AR/TX based upon their FY19 Ratio of 37.19/62.81

**City of Texarkana, Texas
Proposed Debt Service Rate
Highway 82 Widening Project
9/30/2019**

	<u>Original Ownership %</u>	<u>Revised Ownership %</u>	<u>Allocation of Tex, AR Ownership % to Participating Cities</u>	<u>Annual</u>	<u>Monthly</u>
Member Cities					
New Boston	3.572227%	3.572227%	5.315226%	8,706.23	725.52
Hooks	2.275268%	2.275268%	3.385441%	5,545.28	462.11
DeKalb	2.143895%	2.143895%	3.189967%	5,225.10	435.43
Wake Village	1.632379%	1.632379%	2.428867%	3,978.44	331.54
Maud	1.123658%	1.123658%	1.671925%	2,738.58	228.22
### Avery	0.419275%				
Annona	0.307469%	0.307469%	0.457493%	749.36	62.45
Total Member Cities	11.474171%	11.054896%	16.448919%	26,943.00	2,245.27
Texarkana					
*** Texarkana, AR	32.792567%				
Texarkana, TX	55.733262%	56.152537%	83.551081%	136,855.00	11,404.58
Total Texarkana	88.525829%	56.152537%	83.551081%	136,855.00	11,404.58
Grand Total	100.000000%	67.207433%	100.000000%	163,798.00	13,649.85

Debt Service Requirement for 2019 = \$163,798

*** Texarkana, Arkansas has not claimed their ownership interest in the Highway 82 water line

Texarkana, TX took control of Avery's ownership interest

TEXARKANA WATER UTILITIES

WRIGHT PATMAN AND MILLWOOD WATER TREATMENT OPERATING EXPENSES - ACTUAL (Audited)

For the Year Ended September 30, 2017

	Wright Patman	Millwood	Total	
Personal Services:				
Management	25,545	25,693	51,238	From Audited TB for Div 410 & 420
Supervision	128,043	25,148	153,192	
Maintenance & Operations	520,521	168,099	688,619	
Overtime	74,538	27,537	102,075	
Standby	0	0	0	
Shift Differential	6,940	1,348	8,288	
Pay Out-Annual Leave	0	2,062	2,062	
Pay Out-Sick Leave	0	14,771	14,771	
Pay Out-Comp Time	236	0	236	
Pay Out -Post Retirement Insurance	236	7,292	7,528	
Temporary Labor	37,011	300	37,312	
Accrued Payroll	5,265	(1,130)	4,135	
Longevity	7,128	5,688	12,816	
Group Insurance	118,304	34,698	153,002	
Accrued Vacation & Sick Leave	1,946	(3,862)	(1,916)	
Retirement	123,249	40,850	164,099	
Social Security	56,320	19,989	76,309	
Workmen's Compensation	19,092	2,085	21,177	
Unemployment	1,151	0	1,151	
Employee Screening	256	92	348	
Incentive	0	0	0	
Education & Training	20,892	800	21,693	
Salary & Benefit Transfers Out	0	0	0	
Total Personal Services	1,146,674	371,462	1,518,136	
Supplies:				
Office Supplies & Expenses	1,775	30	1,805	
Operating Supplies	7,307	2,188	9,495	
Botanical Supplies	2,042	0	2,042	
Safety	9,556	3,499	13,055	
Minor Tools	2,275	655	2,930	
Wearing Apparel	6,115	1,538	7,654	
Laundry & Janitorial	2,543	1,468	4,010	
Lab & Photo Supplies	26,716	4,339	31,055	
Printing	713	0	713	
Chemicals-Plant	707,053	125,635	832,689	
Chemicals-Lake	61,176	0	61,176	
Total Supplies	827,271	139,354	966,625	
Repairs & Maintenance:				
Office Machines & Equipment	0	0	0	
Motor Vehicles	14,584	2,781	17,364	
Machinery & Equipment	3,207	15,706	18,913	
Signal Equipment	2,014	168	2,182	
Buildings	5,643	1,204	6,847	
Water Treatment Equipment	109,637	94,896	204,533	
Water Transmission Mains	24,657	2,406	27,063	
Tanks & Reservoirs	20,211	4,184	24,395	
Sewer Instruments	500	0	500	
Sludge Pond Maintenance	0	3,496	3,496	
Equipment Utilization	0	0	0	
Equipment Apportionment	(5,475)	0	(5,475)	
Total Repairs & Maintenance	174,979	124,839	299,818	
Contractual Services:				
Accounting & Audit	2,344	1,406	3,750	
Communications	11,702	8,569	20,271	
Rentals	6,856	1,615	8,471	
Fees & Permits	51,737	43,106	94,843	
Freight Charges	0	0	0	
Refuse Hauling	2,013	0	2,013	
Insurance	42,239	13,900	56,139	
Laboratory Services	15,656	136	15,792	
Legal Advertising	0	0	0	
Maintenance Contracts	5,233	283	5,516	
Postage	2,109	30	2,139	
Power Purchases	293,783	190,199	483,982	
Power Purchases-Lake	240,242	0	240,242	
Special Services	118	15	133	
Water Rights	613	128,749	129,363	
Total Contractual Services	674,643	388,008	1,062,652	
Rounding	0	0	0	
Subtotals	2,823,566	1,023,664	3,847,230	Reconciled to Audited TB
Sludge Processing	293,754	119,703	413,457	Sludge Actual 2017
Total Operating Expenses	3,117,320	1,143,367	4,260,687	
Administrative Overhead	155,866	57,168	213,034	5% Admin
Total Operating Expenses With Overhead	3,273,186	1,200,535	4,473,721	
Total Gallons of Water Sold - All (Consumption Report)	3,794,092,000	1,595,900,000	5,389,992,000	
Actual Cost per 1,000 Gallons (Total Op Exp wOH / Total Gals)	0.8627061	0.7522617	0.8300051	

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

TEXARKANA WATER UTILITIES
MEMBER CITIES BILLING
WRIGHT PATMAN SLUDGE PROCESSING COST
FY 2017 ACTUAL

Composting Costs:**Compost Division Budget Expenses (580):**

Personal Services	169,550
Supplies	6,661
Repairs & Maintenance	102,091
Contractual Services	17,468
Capital Outlays	0
Total Division Expenses	<u>295,769</u>

Other Labor & Benefits (530):

Operator II (1300 Bldg)	35,062
Plant Mechanic I (1/2)	<u>15,349</u>
Total Other Labor	<u>50,410</u>

Benefit Percentage	X	<u>55.19%</u>
Total Benefit Cost		<u>27,821</u>

Total Other Labor & Benefits	<u>78,231</u>
------------------------------	---------------

Total Composting & Other Labor Costs 374,000

Amount Attributable to Water Treatment**Plant Sludge (TSS):**

Wright Patman Solids (Metric Tons)	1,484.660
South Regional Influent Solids (Metric Tons)	<u>1,907.100</u>
Water Treatment TSS Ratio	<u>77.84909%</u>

Total Applicable Compost Costs 291,156

Sludge Chemical Costs:

Total Cost of Polymer	93,513
Water Treatment TSS Ratio	<u>77.84909%</u>

Total Sludge Chemical Costs 72,799

Transportation Costs:

200 Site Pumping Costs (Electrical)	80,629
-------------------------------------	--------

Amount Attributable to Water Treatment Plant Waste:

Wright Patman Gallons Wasted (Mil Gallons)	315.016
South Regional Influent Flows (Mil Gallons)	<u>3,030.000</u>
Water Treatment Plant Volume Ratio	<u>10.39657%</u>

Total Transportation Costs 8,383

Total Estimated Sludge Processing Costs Applicable to Water Plant 372,338

Less Compost Sales:

Total Compost Sales	100,944
Water Treatment TSS Ratio	<u>77.84909%</u>
Sales Applicable to Water Treatment Plant Sludge	<u>(78,584)</u>

Net Sludge Processing Costs Applicable to Water Plant 293,754

TEXARKANA WATER UTILITIES

WRIGHT PATMAN AND MILLWOOD WATER TREATMENT OPERATING EXPENSES - ACTUAL (Audited)

For the Year Ended September 30, 2017

TRUE-UP ADJUSTMENT CALCULATION

Fiscal Year 2017 Billing						
	2017 Water	2017 Infrastructure	2017 Debt Service	2015 True Up	FY 2017 Annual	FY 2017 Monthly
New Boston	297,578	19,647	8,639	(23,050)	302,814	25,235
Hooks	142,704	12,514	5,502	3,406	164,126	13,677
DeKalb	60,772	11,791	5,185	2,520	80,268	6,689
Wake Village	143,614	8,978	3,948	3,323	159,863	13,322
Maud	35,665	6,180	2,717	1,263	45,825	3,819
Avery	14,579	-	-	(4,782)	9,797	816
Annona	7,770	1,691	744	(1,584)	8,621	718
RWRD	267,843	-	-	(2,852)	264,991	22,083
	\$970,525	\$60,801	\$26,735	(\$21,756)	\$1,036,305	\$86,359

	Fiscal Year 2017 True Up Calculation							
	Budgeted Gal (000's)	Budgeted Amt	Budgeted Rate	Actual Gal (000's)	Actual Amt	Actual Rate	Annual True Up	Monthly True Up
New Boston	366,985	297,578	0.810900	414,679	344,186	0.8300051	46,608	3,883.97
Hooks	175,989	142,704	0.810900	155,699	129,231	0.8300051	(13,473)	(1,122.74)
DeKalb	74,947	60,772	0.810900	69,956	58,064	0.8300051	(2,708)	(225.68)
Wake Village	177,111	143,614	0.810900	159,508	132,392	0.8300051	(11,222)	(935.13)
Maud	43,984	35,665	0.810900	42,482	35,260	0.8300051	(405)	(33.73)
Avery	17,979	14,579	0.810900	22,548	18,715	0.8300051	4,136	344.66
Annona	9,583	7,770	0.810900	7,384	6,129	0.8300051	(1,641)	(136.79)
RWRD	330,314	267,843	0.810900	334,092	277,298	0.8300051	9,455	787.95
Total	1,196,892	\$970,525		1,206,348	\$1,001,275		\$30,750	\$2,563

**City of Texarkana, Texas
Proposed Water Cost Recap
9/30/2019**

	2019 Annual Cost					2018 Annual Cost	Increase/ (Decrease)
	Water	Infrastructure	Debt Service	2017 True Up	Total	Total	
New Boston	355,372	19,647	8,706	46,608	430,333	366,124	64,209
Hooks	145,167	12,514	5,545	(13,473)	149,754	176,082	(26,328)
DeKalb	69,682	11,791	5,225	(2,708)	83,990	74,998	8,992
Wake Village	149,507	8,978	3,978	(11,222)	151,242	143,971	7,271
Maud	43,286	6,180	2,739	(405)	51,800	38,805	12,995
Avery	18,090	-	-	4,136	22,226	16,237	5,989
Annona	8,150	1,691	749	(1,641)	8,949	10,185	(1,236)
Texarkana, AR	1,350,405	181,933	-	-	1,532,338	-	-
Texarkana, TX	2,679,356	307,265	136,855	-	3,123,476	-	-
RWRD	271,207	-	-	9,455	280,663	283,323	(2,660)
	\$ 5,090,223	\$ 550,000	\$ 163,798	\$ 30,750	\$ 5,834,771	\$ 1,109,725	\$ 69,232

	2019 Monthly Cost					2018 Monthly Cost	Increase/ (Decrease)
	Water	Infrastructure	Debt Service	2017 True Up	Total	Total	
New Boston	29,614	1,637	726	3,884	35,861	30,510	5,351
Hooks	12,097	1,043	462	(1,123)	12,479	14,674	(2,194)
DeKalb	5,807	983	435	(226)	6,999	6,250	749
Wake Village	12,459	748	332	(935)	12,604	11,998	606
Maud	3,607	515	228	(34)	4,317	3,234	1,083
Avery	1,508	-	-	345	1,852	1,353	499
Annona	679	141	62	(137)	746	849	(103)
Texarkana, AR	112,534	15,161	-	-	127,695	-	-
Texarkana, TX	223,280	25,605	11,405	-	260,290	-	-
RWRD	22,601	-	-	788	23,389	23,610	(222)
	\$ 424,185	\$ 45,833	\$ 13,650	\$ 2,563	\$ 486,231	\$ 92,477	\$ 5,769

EXHIBIT M

Termination Agreements between Member Entity and other Riverbend Member Entities

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

TO BE INSERTED UPON ADOPTION

EXHIBIT N

Insurance Coverages

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

All minimum insurance coverages shall be as follows, but shall in no event be less than any minimum required by state law:

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30-day advance written notice of cancellation, non-renewal, material change or termination required on all certificates and policies.	Bodily Injury and Property Damage Per occurrence - aggregate
COMMERCIAL GENERAL LIABILITY including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/ Completed Operations 4. Contractual Liability 5. Independent Contractors 6. Personal Injury- Advertising Injury	\$1,000,000 Per Occurrence \$2,000,000 Aggregate
AUTO LIABILITY (including) 1. Owned 2. Hired and Non-Owned 3. Rented/Leased	\$1,000,000 Combined Single Limit
WORKERS’S COMPENSATION Employer’s Liability	The statutory minimum \$500,000/\$500,000/\$500,000

EXHIBIT O

Resolutions Approving this Contract

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

TO BE INSERTED UPON ADOPTION

Attachment: 2020-059 ATTH 01 4.29.20 Exhibits - Texarkana [word search - reduced] (2281 : 2020-059 RES authorizing CM executet Water

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☒ Promote an Environmentally Sensitive & Livable Community ☒ Provide a Safe Community ☒ Deliver Quality Services ☒ Foster a Healthy Community
Run the Operations	☒ Enhance Community Preparedness & Responsiveness ☒ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☒ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☒ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☐	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☐	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☐	

Other:

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 5/18/2020 1:39 PM

Lead Department: Planning and Community Development **Action Officer:** Debbie Burk,
Ordinance No. 2020-040 granting a Specific Use Permit to allow the location of
a double wide HUD code manufactured home on Lots 1 & 2, Block 35,
Subject: Grandview Addition, located at 2707 Davis Street. Sharon Robinson Block,
applicant.

Briefing: 6/8/2020 **Public Hearing:** 6/8/2020 **Council Vote:** 6/8/2020

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:

S-715: This is a request by Sharon Robinson Block, owner, for a Specific Use Permit to allow the location of a double wide HUD code manufactured home as a residence on Lots 1 and 2, Block 35, Grandview Addition, located at 2707 Davis Street. This property is currently vacant land.

The adjacent zoning is Single Family-3 to the north, south, and west, and Single Family-2 to the east. The adjacent land use is vacant land to the north, east and west, and a residence to the south.

The City's Zoning Ordinance was amended to comply with the state law in 2002, requiring that all manufactured housing be HUD code building standard. This amendment also stipulated that all HUD code manufactured homes inside the city limits be placed in the Single Family-3 zoning district along with the approval of a Specific Use Permit.

Staff recommends for approval of this request with the following stipulations:

1. That a 2019 or newer 4-bedroom 3 bath double wide HUD code manufactured home be allowed on this property. See attached floor plan and photograph of home exterior.
2. That the double wide HUD code manufactured home be tied down/skirted/underpinned.
3. That the double wide HUD code manufactured home be used for dwelling purposes only, human occupancy only.
4. That the Specific Use Permit be in effect for a period of three (3) years, beginning at the date of this Ordinance. It is the owner's responsibility to renew this permit.

City of Texarkana, Texas

5. That if the HUD code manufactured home is not placed on the property within the three (3) year period, the Specific Use Permit will automatically be revoked.
6. That all driveways, parking, building codes/setbacks, engineered foundation, platting and flood plain requirements must be in accordance with the City of Texarkana, Texas codes.

All notification and application requirements have been met to consider this request.

Potential Options:

None

Fiscal Implications:

Not applicable

Staff Recommendation:

Staff recommends for approval with stipulations.

Advisory Board/Committee Review:

The Planning and Zoning Commission unanimously recommended for approval with staff stipulations.

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

May 4, 2020

Attachments

- a. 2020-040 ORD granting SUP at 2707 Davis St. (DOCX)
- b. 2020-040 ATTH 01 (zoning map) (PDF)
- c. 2020-040 ATTH 02 (aerial map) (PDF)
- d. 2020-040 ATTH 03 (photo of manf. home and floor plan) (PDF)
- e. 2020-040 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review
Completed	05/18/2020 12:32 PM	
City Manager	Shirley Jaster	City Manager Review Completed
3:08 PM		05/19/2020
City Council	Jennifer Evans	Meeting
6:00 PM		Completed
		05/26/2020

Meeting History

05/26/20 City Council MOVED FORWARD Next: 06/08/20

ORDINANCE NO. 2020-040

S-715

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING THE ZONING MAP SHOWING THE LOCATION, BOUNDARY AND USE OF CERTAIN PROPERTY BY THE GRANTING OF SPECIFIC USE PERMIT NO. S-715 TO ALLOW THE LOCATION OF A DOUBLE WIDE HUD CODE MANUFACTURED HOME ON LOTS 1 AND 2, BLOCK 35, GRANDVIEW ADDITION, LOCATED AT 2707 DAVIS STREET, IN THE CITY OF TEXARKANA, BOWIE COUNTY, TEXAS; CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, an application has been filed with the City of Texarkana, Texas, requesting an amendment to the Zoning Ordinance to grant a **Specific Use Permit to allow the location of a double wide HUD code manufactured home on Lots 1 and 2, Block 35, Grandview Addition, located at 2707 Davis Street** in the City of Texarkana, Bowie County, Texas; and

WHEREAS, the Planning and Zoning Commission of the City of Texarkana, Texas, and the City Council of the City of Texarkana, Texas, in compliance with the laws of the State of Texas with reference to the granting of zoning classifications and changes, have given the requisite notices by publication and otherwise, and have afforded and held full and fair hearings to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof; and

WHEREAS, after consideration of said application, the Planning and Zoning Commission of the City of Texarkana, Texas, voted **unanimously five (5) to zero (0) to recommend** to the City Council of Texarkana, Texas, that a **Specific Use Permit be granted to allow the location of a double wide HUD code manufactured home** on said property; and

WHEREAS, after consideration of said application and the recommendation of the Planning and Zoning Commission, the City Council of the City of Texarkana, Texas, does hereby find that granting the **Specific Use Permit** is in the best interest of the public health, safety, morals and general welfare of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: That the Zoning Ordinance of the City of Texarkana, Texas, Ordinance No. 127-70, passed and approved on September 14, 1970, be further amended to grant **Specific Use Permit Numbered S-715 to allow the location of a double wide HUD code manufactured home on Lots 1 and 2, Block 35, Grandview Addition, located at 2707 Davis Street** in the City of Texarkana, Bowie County, Texas.

Attachment: 2020-040 ORD granting SUP at 2707 Davis St. (2265 : 2020-040 ORD granting SUP at 2707 Davis St.)

SECTION 2: That the following stipulations are hereby imposed and made a part of this ordinance:

1. That a 2019 or newer 4-bedroom 3 bath double wide HUD code manufactured home be allowed on this property.
2. That the double wide HUD code manufactured home be tied down/skirted/underpinned.
3. That the double wide HUD code manufactured home be used for dwelling purposes only, human occupancy only.
4. That the Specific Use Permit be in effect for a period of three (3) years, beginning at the date of this Ordinance. It is the owner's responsibility to renew this permit.
5. That if the HUD code manufactured home is not placed on the property within the three (3) year period, the Specific Use Permit will automatically be revoked.
6. That all driveways, parking, building codes/setbacks, engineered foundation, platting and flood plain requirements must be in accordance with the City of Texarkana, Texas, codes.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are specifically repealed to the extent of such conflict.

SECTION 4: It is further provided that in case a section, clause, sentence or part of this ordinance shall be deemed or adjudged by a court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this ordinance.

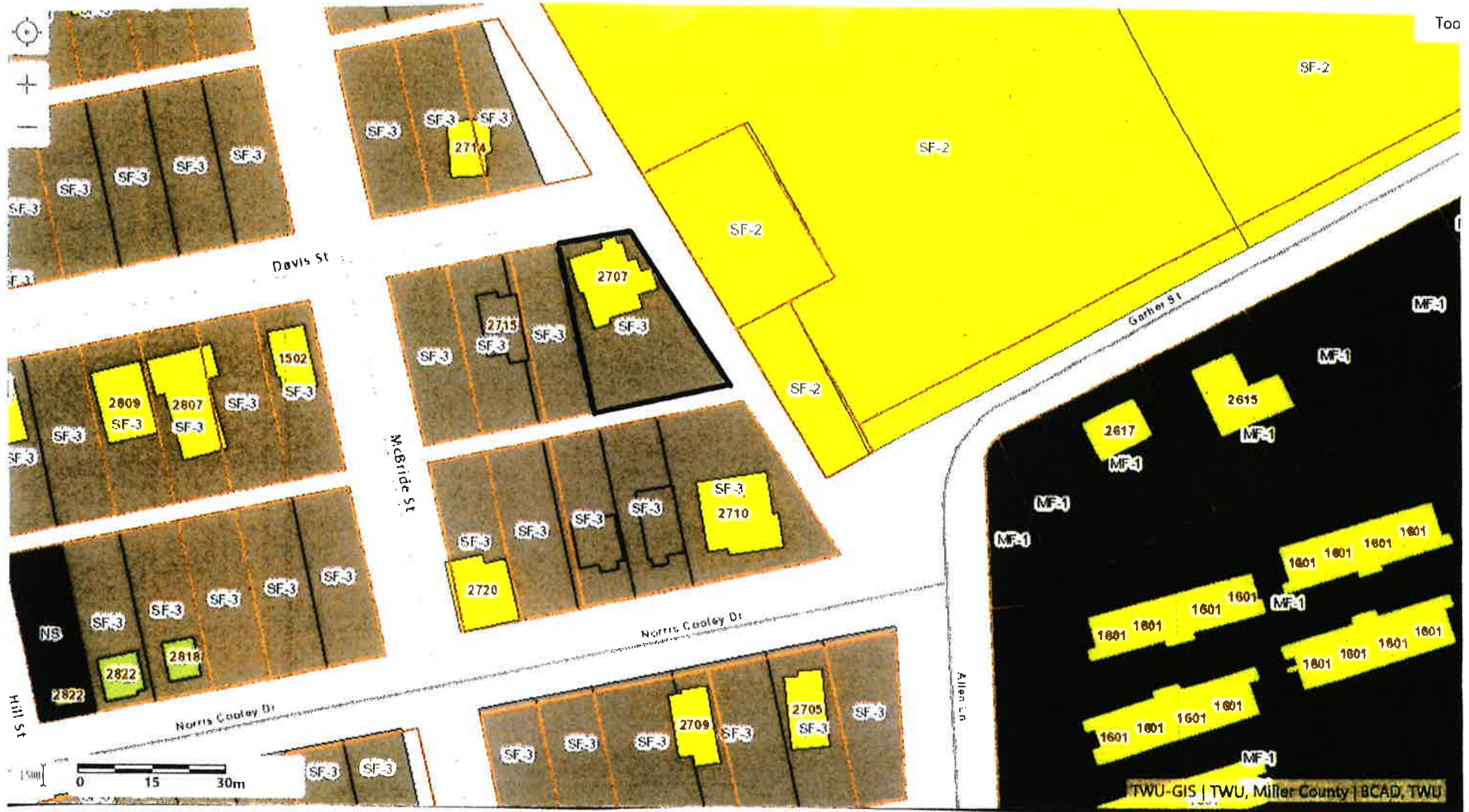
SECTION 5: That this ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **8th day of June, 2020.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR



Attachment: 2020-040 ATTH 01 (zoning map) (2265 : 2020-040 ORD granting SUP at 2707 Davis St.)

2707 Davis



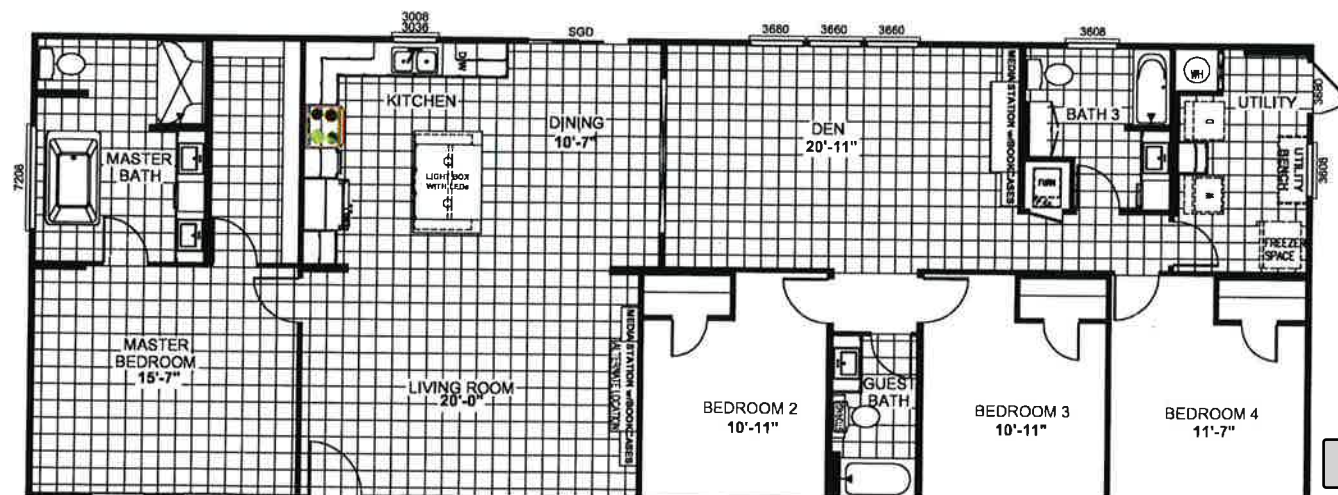
Attachment: 2020-040 ATTH 02 (aerial map) (2265 : 2020-040 ORD granting SUP at 2707 Davis St.)





Mariana 9776

28 x 76 (80) Overall
 27'4" x 76 Box 2,077 Lvg.Sq.Ft.
 4 Bedroom 3 Bath
 Rev. 1-21-20



City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

NA

No Additional

Other Potential Impacts:

NA

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☒	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☒	Sign Posted

Other:

City of Texarkana, Texas

Version: B

Update Date: 5/20/2020 3:40 PM

Briefing Sheet

Lead Department: Planning and Community Development **Action Officer:** Debbie Burk,
Ordinance No. 2020-041 rezoning an approximate 2.9-acre tract of land in the
Subject: M.E.P. Ry. Co. HRS, A-421, located at 3920 Summerhill Road. General Retail
to Planned Development-Commercial. Alan Schimming, applicant.

Briefing: 6/8/2020 **Public Hearing:** 6/8/2020 **Council Vote:** 6/8/2020

Item ScheduleSchedule 1: Brief twice - vote once (six weeks)**Updates/History of Briefing:**

NOT APPLICABLE

Executive Summary and Background Information:

Z-20-4: This is a request by Alan Schimming, dba Condeb, L.P., owner, to rezone an approximate 2.9-acre tract of land in the MEP & P HRS, A-421, located at 3920 Summerhill Road from General Retail to Planned Development-Commercial (PD-C). The old Ellis Pottery building is currently located on this site. The proposed use is retail and commercial rental property.

The adjacent zoning is General Retail to the north and west, Single Family-2 to the east and PD-General Retail to the south. The adjacent land use is a shopping center to the north, residences to the east, and office and business uses to the west and south.

The Future Land Use Map designates this property as "Neighborhood Retail". However, there are other Commercial zoned properties in this area along Summerhill Road. The applicant is requesting rezoning to PD-Commercial to expand potential future uses of the property.

Since other commercial zoned properties are currently located in this area, staff recommends for approval to PD-Commercial. If the request is approved, staff would recommend adding the following prohibited uses:

1. Auto mechanic work (minor or major repair), oil or tire sales store.
2. Construction yard or heavy machinery storage or sales.
3. Auctions.
4. Wrecking, scrap or auto salvage yard.
5. Tire retreading or capping business.
6. Permanent outside storage with the exception of automobile sales.

City of Texarkana, Texas

All notification and application requirements have been met to consider this request.

Potential Options:

None

Fiscal Implications:

Not applicable

Staff Recommendation:

Staff recommends for approval to PD Commercial with prohibited uses.

Advisory Board/Committee Review:

At the Planning and Zoning Commission meeting, the applicant (Alan Schimming) asked that the list of prohibited uses recommended by staff be amended to allow minor auto repair and to include several more uses in outdoor sales.

The Planning and Zoning Commission amended staff's recommendations for prohibited uses and voted unanimously for approval with the following amended list of prohibited uses:

1. Major auto mechanic work, oil or tire sales store.
2. Construction yard or heavy machinery storage or sales.
3. Auctions.
4. Wrecking, scrap or auto salvage yard.
5. Tire retreading or capping business.
6. Permanent outside storage with the exception of automobile, boat, motorcycle/ATV, RV, outdoor lawn equipment and nursery sales.

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

May 4, 2020

Attachments

- a. 2020-041 ORD rezoning 3920 Summerhill Rd.. GR to PD-C (DOCX)
- b. 2020-041 EXH 'A' (legal description) (PDF)
- c. 2020-041 ATTH 01 (zoning map) (PDF)
- d. 2020-041 ATTH 02 (aerial map) (PDF)
- e. 2020-041 ATTH 03 (email from neighbor) (PDF)
- f. 2020-041 Goals & Perspectives (DOCX)

Staff Coordination

City of Texarkana, Texas

Planning and Community Development	David Orr	Department Head Review
Completed	05/18/2020 12:34 PM	
City Manager	Shirley Jaster	City Manager Review Completed 05/21/2020
2:01 PM		
City Council	Jennifer Evans	Meeting Completed 05/26/2020
6:00 PM		

Meeting History

05/26/20 City Council MOVED FORWARD Next: 06/08/20

ORDINANCE NO. 2020-041

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING THE ZONING ORDINANCE OF THE CITY OF TEXARKANA, TEXAS, BY REZONING AN APPROXIMATE 2.9 ACRE TRACT OF LAND IN THE M.E.P. & P. RY. CO. HRS, A-421, LOCATED AT 3920 SUMMERHILL ROAD IN THE CITY OF TEXARKANA, BOWIE COUNTY, TEXAS FROM GENERAL RETAIL TO PLANNED DEVELOPMENT-COMMERCIAL; CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, an application has been filed requesting an amendment to the Zoning Ordinance of the City of Texarkana, Texas, to rezone **an approximate 2.9 acre tract of land in the M.E.P. & P. Ry. Co. HRS, A-421 (Exhibit 'A'), located at 3920 Summerhill Road** in the City of Texarkana, Bowie County, Texas, from **General Retail to PD-Commercial**; and

WHEREAS, the Planning and Zoning Commission of the City of Texarkana, Texas, and the City Council of the City of Texarkana, Texas, in compliance with the laws of the State of Texas with reference to the granting of zoning classifications and changes, have given the requisite notices by publication and otherwise, and have afforded and held full and fair hearings to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof; and

WHEREAS, after consideration of said application, the Planning and Zoning Commission of the City of Texarkana, Texas, **voted unanimously five (5) to zero (0) to recommend the application for rezoning from General Retail to PD-Commercial on an approximate 2.9 acre tract of land in the M.E.P. & P. Ry. Co. HRS, A-421 (Exhibit 'A'), located at 3920 Summerhill Road** in the City Council of Texarkana, Texas; and

WHEREAS, after consideration of said application and the recommendation of the Planning and Zoning Commission, the City Council of the City of Texarkana, Texas, does hereby find that rezoning the property from **General Retail to PD-Commercial** is in the best interest of the public health, safety, morals and general welfare of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: That the Zoning Ordinance of the City of Texarkana, Texas, Ordinance No. 127-70, passed and approved on September 14, 1970, be and is hereby further amended to rezone **an approximate 2.9 acre tract of land in the M.E.P. & P. Ry. Co. HRS, A-421 (Exhibit 'A'), located at 3920 Summerhill Road** in the City of Texarkana, Bowie County, Texas, from **General Retail to PD-Commercial**.

SECTION 2: That the following uses are prohibited:

1. Major auto mechanic work, oil or tire sales store.
2. Construction yard or heavy machinery storage or sales.
3. Auctions.
4. Wrecking, scrap or auto salvage yard.
5. Tire retreading or capping business.
6. Permanent outside storage with the exception of automobile, boat, motorcycle/ATV, RV, outdoor lawn equipment and nursery sales.

SECTION 3: It is further provided that in case a section, clause, sentence or part of this ordinance shall be deemed or adjudged by a court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this ordinance.

SECTION 4: All ordinances or parts of ordinances in conflict herewith are specifically repealed to the extent of such conflict.

SECTION 5: That this ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **8th day of June, 2020.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

EXHIBIT "A"

Property description: Landlord does hereby lease to Tenant the following described real property and the buildings and improvements thereon in the City of Texarkana, County of Bowie, State of Texas, designated as 3920 Summerhill Road, to-wit:

Part of a certain tract or parcel of land in and being part of Section 3, M.E.P. & P. Ry. Co. SURVEY, Abstract No. 421, in Bowie County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the southwest corner of Lot No. 3 in Block No. 50 of Glenwood 10th Addition, same being 2506.61 feet South and 959.70 feet West of an inside corner of said Sec. 3, and the Southwest corner of the Willis Oldham H.R. Survey;

THENCE No. 01 deg. 40' W., with the West boundary line of Glenwood 10th Addition, 380.27 feet to the Northwest corner of Lot No. 1 in Block No. 50, same being on the South ROW Line of a street designated as 40th Street (a 70 foot ROW);

THENCE S. 88 deg. 16' W., 5.68 feet along the South ROW Line of said 40th Street to a point for curve to the left, whose central angle is 34 deg. 41' and whose radius is 197.18 feet;

THENCE around said curve to the left 119.36 feet along the South ROW Line of 40th Street to a point for reverse curve to the right, whose central angle is 34 deg. 41' and whose radius is 267.18 feet;

THENCE around said curve to the right 161.73 feet along the South ROW Line of 40th Street to the end of said curve;

THENCE S. 88 deg. 16' W., 115.15 feet along the South ROW Line of 40th Street to a point for curve to the left whose central angle is 89 deg. 56' and whose radius is 25.00 feet;

THENCE around said curve to the left 39.24 feet to the end of said curve, also being a point in the East ROW Line of Summerhill Road (State Hwy. 93, a variable width ROW);

THENCE S. 1 deg. 40' E., 192.08 feet along the East ROW Line of Summerhill Road to a point for angle;

THENCE S. 4 deg. 54' E., 43.42 feet along the East ROW Line of Summerhill Road to a point for curve to the right whose central angle is 0 deg. 16' 46" and whose radius is 5779.58 feet;

THENCE around said curve to the right 28.19 feet along the East ROW Line of Summerhill Road to the end of said curve and a point for corner;

THENCE N. 89 deg. 34' E., 406.15 feet to the place of beginning, and containing 130,641.0 sq. ft. or 2.999 acres of land.

SAVE AND EXCEPT .009 acres (392 feet) of land conveyed to the State of Texas for right-of-way by Deed dated April 23, 1965, recorded in Vol. 481, Page 788.

3920 Summerhill Road

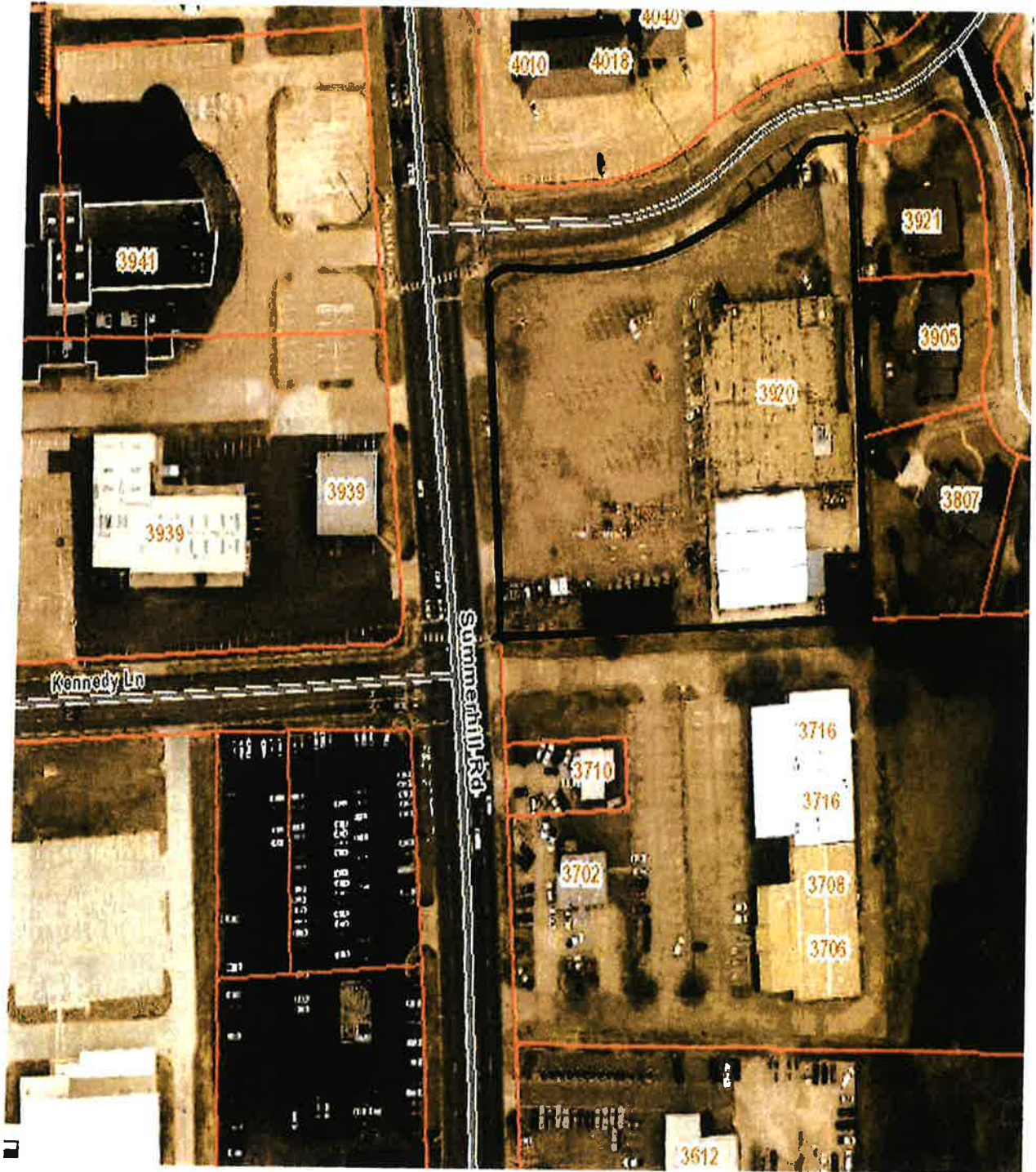
8.2.c



Attachment: 2020-041 ATTH 01 (zoning map) (2266 : 2020-041 ORD rezoning 3920 Summerhill Rd. GR to

2020-041 ATTH 02

3920 Summerhill



Attachment: 2020-041 ATTH 02 (aerial map) (2266 : 2020-041 ORD rrezoning 3920 Summerhill Rd. GR to PD-C)



TEX-Burk, Debbie

From: Martha Stilwell <mlou2109@gmail.com>
Sent: Thursday, April 30, 2020 3:33 PM
To: TEX-Burk, Debbie
Subject: 3920 Summerhill Road

CAUTION: This email originated from outside our email system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To Whom It May Concern:

I am concerned about the old Ellis Pottery building and the use of the property. While driving, I noticed that a rezoning sign was up and was apprehensive about the rezoning. I live in the area and am concerned that a reputable business be in place. I, along with others who live in this area, feel that an apartment, multiple family dwelling, condo, or duplex would effect the neighborhood in a negative manner. Please consider the effect any new business or new building would have on the area.

Thank you for your consideration.

Sincerely yours,

Martha Stilwell

Sent from my iPad

Attachment: 2020-041 ATTH 03 (email from neighbor) (2266 : 2020-041 ORD rrezoning 3920 Summerhill Rd. GR to PD-C)

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

NA

No Additional

Other Potential Impacts:

NA

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☒	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☒	Sign Posted

Other:

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 5/18/2020 1:38 PM

Lead Department: Planning and Community Development **Action Officer:** Debbie Burk,
Ordinance No. 2020-042 granting Specific Use Permit to allow the location of
a double wide HUD code manufactured home on Lots 3 & 4, Block 19,
Grandview Addition, located at 3919 Alexander Avenue. Mildred Wyatt,
Subject: applicant. Sharon Williams, agent.

Briefing: 6/8/2020 **Public Hearing:** 6/8/2020 **Council Vote:** 6/8/2020

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:

S-716: This is a request by Mildred Wyatt, owner, and Sharon Williams, agent, for a Specific Use Permit to allow the location of a double wide HUD code manufactured home as a residence on Lots 3 and 4, Block 19, Grandview Addition, located at 3919 Alexander Avenue. This property is currently vacant land.

The adjacent zoning is Single Family-3 to the north, south, east and west. The adjacent land use is residences to the north and west and vacant property to east and south.

The City's Zoning Ordinance was amended to comply with the state law in 2002, requiring that all manufactured housing be HUD code building standard. This amendment also stipulated that all HUD code manufactured homes inside the city limits be placed in the Single Family-3 zoning district along with the approval of a Specific Use Permit.

Staff recommends for approval of this request with the following stipulations:

1. That a 2019 or newer 4 or 5 bedroom, 2 or 3 bath double wide HUD code manufactured home be allowed on this property. See attached floor plan and photograph of home exterior.
2. That the double wide HUD code manufactured home be tied down/skirted/underpinned.
3. That the double wide HUD code manufactured home be used for dwelling purposes only, human occupancy only.
4. That the Specific Use Permit be in effect for a period of three (3) years, beginning at the date of this Ordinance. It is the owner's responsibility to renew this permit.

City of Texarkana, Texas

5. That if the HUD code manufactured home is not placed on the property within the three (3) year period, the Specific Use Permit will automatically be revoked.
6. That all driveways, parking, building codes/setbacks, engineered foundation, platting and flood plain requirements must be in accordance with the City of Texarkana, Texas codes.

All notification and application requirements have been met to consider this request.

Potential Options:

None

Fiscal Implications:

Not applicable.

Staff Recommendation:

Staff recommends approval with stipulations.

Advisory Board/Committee Review:

The Planning and Zoning Commission unanimously recommended for approval with staff stipulations.

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

May 4, 2020

Attachments

- a. 2020-042 ORD granting SUP at 3919 Alexander Ave. (DOCX)
- b. 2020-042 ATTH 01 (zoning map) (PDF)
- c. 2020-042 ATTH 02 (aerial map) (PDF)
- d. 2020-042 ATTH 03 (photo of manf. home and floor plan) (PDF)
- e. 2020-042 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review
Completed	05/18/2020 12:35 PM	
City Manager	Shirley Jaster	City Manager Review Completed
2:57 PM		05/19/2020
City Council	Jennifer Evans	Meeting
6:00 PM		Completed
		05/26/2020

Meeting History

05/26/20 City Council MOVED FORWARD Next: 06/08/20

ORDINANCE NO. 2020-042

S-716

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING THE ZONING MAP SHOWING THE LOCATION, BOUNDARY AND USE OF CERTAIN PROPERTY BY THE GRANTING OF SPECIFIC USE PERMIT NO. S-716 TO ALLOW THE LOCATION OF A DOUBLE WIDE HUD CODE MANUFACTURED HOME ON LOTS 3 AND 4, BLOCK 19, GRANDVIEW ADDITION, LOCATED AT 3919 ALEXANDER AVENUE, IN THE CITY OF TEXARKANA, BOWIE COUNTY, TEXAS; CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, an application has been filed with the City of Texarkana, Texas, requesting an amendment to the Zoning Ordinance to grant a **Specific Use Permit** to allow the **location of a double wide HUD code manufactured home on Lots 3 and 4, Block 19, Grandview Addition, located at 3919 Alexander Avenue** in the City of Texarkana, Bowie County, Texas; and

WHEREAS, the Planning and Zoning Commission of the City of Texarkana, Texas, and the City Council of the City of Texarkana, Texas, in compliance with the laws of the State of Texas with reference to the granting of zoning classifications and changes, have given the requisite notices by publication and otherwise, and have afforded and held full and fair hearings to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof; and

WHEREAS, after consideration of said application, the Planning and Zoning Commission of the City of Texarkana, Texas, voted **unanimously five (5) to zero (0) to recommend** to the City Council of Texarkana, Texas, that a **Specific Use Permit be granted to allow the location of a double wide HUD code manufactured home** on said property; and

WHEREAS, after consideration of said application and the recommendation of the Planning and Zoning Commission, the City Council of the City of Texarkana, Texas, does hereby find that granting the **Specific Use Permit** is in the best interest of the public health, safety, morals and general welfare of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: That the Zoning Ordinance of the City of Texarkana, Texas, Ordinance No. 127-70, passed and approved on September 14, 1970, be further amended to grant **Specific Use Permit Numbered S-716 to allow the location of a double wide HUD code manufactured home on Lots 3 and 4, Block 19, Grandview Addition, located at 3919 Alexander Avenue** in the City of Texarkana, Bowie County, Texas.

Attachment: 2020-042 ORD granting SUP at 3919 Alexander Ave. (2267 : 2020-042 ORD granting SUP at 3919 Alexander Ave.)

SECTION 2: That the following stipulations are hereby imposed and made a part of this ordinance:

1. That a 2019 or newer 4 or 5 bedroom, 2 or 3 bath double wide HUD code manufactured home be allowed on this property.
2. That the double wide HUD code manufactured home be tied down/skirted/underpinned.
3. That the double wide HUD code manufactured home be used for dwelling purposes only, human occupancy only.
4. That the Specific Use Permit be in effect for a period of three (3) years, beginning at the date of this Ordinance. It is the owner's responsibility to renew this permit.
5. That if the HUD code manufactured home is not placed on the property within the three (3) year period, the Specific Use Permit will automatically be revoked.
6. That all driveways, parking, building codes/setbacks, engineered foundation, platting and flood plain requirements must be in accordance with the City of Texarkana, Texas, codes.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are specifically repealed to the extent of such conflict.

SECTION 4: It is further provided that in case a section, clause, sentence or part of this ordinance shall be deemed or adjudged by a court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this ordinance.

SECTION 5: That this ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **8th day of June, 2020.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR



3919 Alexander



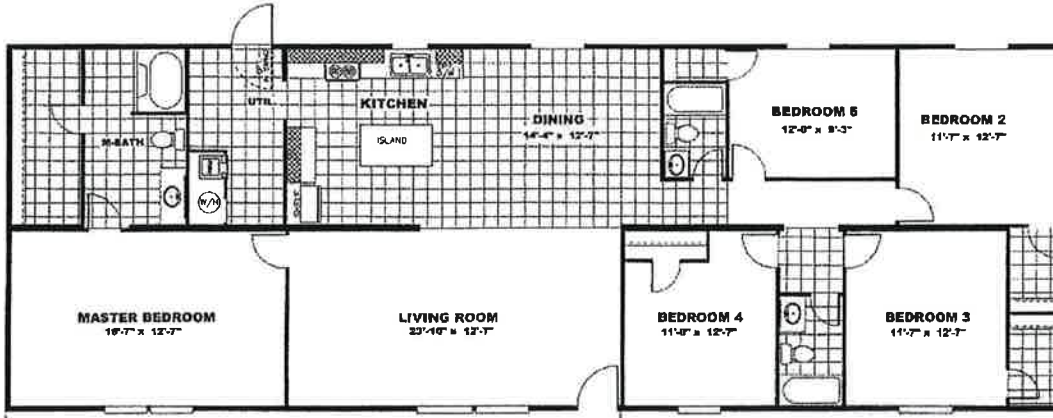
Attachment: 2020-042 ATTH 02 (aerial map) (2267 : 2020-042 ORD granting SUP at 3919 Alexander Ave.)



TRIUMPH

TRU28765A

2,001 sq ft // 5 beds // 3 baths



8.3.d

2020-042

ATTH 03

Attachment: 2020-042 ATTH 03 (photo of manf. home and floor plan) (2267 : 2020-042 ORD granting SUP at 3919 Alexander Ave.)

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

NA

No Additional

Other Potential Impacts:

NA

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☒	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☒	Sign Posted

Other:

Attachment: 2020-042 Goals & Perspectives (2267 : 2020-042 ORD granting SUP at 3919 Alexander Ave.)

City of Texarkana, Texas

Version: A

Update Date: 5/19/2020 4:01 PM

Briefing Sheet

Lead Department: Planning and Community Development **Action Officer:** Debbie Burk,
Ordinance No. 2020-043 granting Specific Use Permit to allow the location of a
double wide HUD code manufactured home on Lots 7-10, Block 10, Grandview
Addition, located at 3324 Alexander Avenue. John and Valerie Fuller,
Subject: applicants.

Briefing: 6/8/2020 **Public Hearing:** 6/8/2020 **Council Vote:** 6/8/2020

Item ScheduleSchedule 1: Brief twice - vote once (six weeks)**Updates/History of Briefing:**

NOT APPLICABLE

Executive Summary and Background Information:

S-717: This is a request by John and Valerie Fuller, owners, for a Specific Use Permit to allow the location of a double wide HUD code manufactured home as a residence on Lots 7-10, Block 10, Grandview Addition, located at 3324 Alexander Avenue. This property is currently vacant land.

The adjacent zoning is Single Family-3 to the north, south, east and west. The adjacent land use is residences to the north, west and east and vacant property to the south.

The City's Zoning Ordinance was amended to comply with the state law in 2002, requiring that all manufactured housing be HUD code building standard. This amendment also stipulated that all HUD code manufactured homes inside the city limits be placed in the Single Family-3 zoning district along with the approval of a Specific Use Permit.

Staff recommends for approval of this request with the following stipulations:

1. That a 2019 or newer 4-bedroom 2.5 bath double wide HUD code manufactured home be allowed on this property. See attached floor plan.
2. That the double wide HUD code manufactured home be tied down/skirted/underpinned.
3. That the double wide HUD code manufactured home be used for dwelling purposes only, human occupancy only.
4. That the Specific Use Permit be in effect for a period of three (3) years, beginning at the date of this Ordinance. It is the owner's responsibility to renew this permit.

City of Texarkana, Texas

5. That if the HUD code manufactured home is not placed on the property within the three (3) year period, the Specific Use Permit will automatically be revoked.
6. That all driveways, parking, building codes/setbacks, engineered foundation, platting and flood plain requirements must be in accordance with the City of Texarkana, Texas codes.

All notification and application requirements have been met to consider this request.

Potential Options:

None

Fiscal Implications:

Not applicable.

Staff Recommendation:

Staff recommends for approval with stipulations.

Advisory Board/Committee Review:

The Planning and Zoning Commission unanimously recommended for approval with stipulations.

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

May 4, 2020

Attachments

- a. 2020-043 ORD granting SUP at 3324 Alexander Ave. (DOCX)
- b. 2020-043 ATTH 01 (zoning map) (PDF)
- c. 2020-043 ATTH 02 (aerial map) (PDF)
- d. 2020-043 ATTH 03 (floor plan of manf. home) (PDF)
- e. 2020-043 ATTH 04 (survey) (PDF)
- f. 2020-043 ATTH 05 (email of support from church in area) (PDF)
- g. 2020-043 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review
Completed	05/18/2020 12:35 PM	
City Manager	Shirley Jaster	City Manager Review Completed
3:01 PM		05/19/2020
City Council	Jennifer Evans	Meeting
6:00 PM		Completed
		05/26/2020

Meeting History

05/26/20 City Council MOVED FORWARD Next: 06/08/20

S-717

ORDINANCE NO. 2020-043

S.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING THE ZONING MAP SHOWING THE LOCATION, BOUNDARY AND USE OF CERTAIN PROPERTY BY THE GRANTING OF SPECIFIC USE PERMIT NO. S-717 TO ALLOW THE LOCATION OF A DOUBLE WIDE HUD CODE MANUFACTURED HOME ON LOTS 7-10, BLOCK 10, GRANDVIEW ADDITION, LOCATED AT 3324 ALEXANDER AVENUE, IN THE CITY OF TEXARKANA, BOWIE COUNTY, TEXAS; CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, an application has been filed with the City of Texarkana, Texas, requesting an amendment to the Zoning Ordinance to grant a **Specific Use Permit** to allow the **location of a double wide HUD code manufactured home on Lots 7-10, Block 10, Grandview Addition, located at 3324 Alexander Avenue** in the City of Texarkana, Bowie County, Texas; and

WHEREAS, the Planning and Zoning Commission of the City of Texarkana, Texas, and the City Council of the City of Texarkana, Texas, in compliance with the laws of the State of Texas with reference to the granting of zoning classifications and changes, have given the requisite notices by publication and otherwise, and have afforded and held full and fair hearings to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof; and

WHEREAS, after consideration of said application, the Planning and Zoning Commission of the City of Texarkana, Texas, voted **unanimously five (5) to zero (0) to recommend** to the City Council of Texarkana, Texas, that a **Specific Use Permit be granted to allow the location of a double wide HUD code manufactured home** on said property; and

WHEREAS, after consideration of said application and the recommendation of the Planning and Zoning Commission, the City Council of the City of Texarkana, Texas, does hereby find that granting the **Specific Use Permit** is in the best interest of the public health, safety, morals and general welfare of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: That the Zoning Ordinance of the City of Texarkana, Texas, Ordinance No. 127-70, passed and approved on September 14, 1970, be further amended to grant **Specific Use Permit Numbered S-717 to allow the location of a double wide HUD code manufactured home on Lots 7-10, Block 10, Grandview Addition, located at 3324 Alexander Avenue** in the City of Texarkana, Bowie County, Texas.

Attachment: 2020-043 ORD granting SUP at 3324 Alexander Ave. (2268 : 2020-043 ORD granting SUP at 3324 Alexander Ave.)

SECTION 2: That the following stipulations are hereby imposed and made a part of this ordinance:

1. That a 2019 or newer 4-bedroom 2.5 bath double wide HUD code manufactured home be allowed on this property.
2. That the double wide HUD code manufactured home be tied down/skirted/underpinned.
3. That the double wide HUD code manufactured home be used for dwelling purposes only, human occupancy only.
4. That the Specific Use Permit be in effect for a period of three (3) years, beginning at the date of this Ordinance. It is the owner's responsibility to renew this permit.
5. That if the HUD code manufactured home is not placed on the property within the three (3) year period, the Specific Use Permit will automatically be revoked.
6. That all driveways, parking, building codes/setbacks, engineered foundation, platting and flood plain requirements must be in accordance with the City of Texarkana, Texas, codes.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are specifically repealed to the extent of such conflict.

SECTION 4: It is further provided that in case a section, clause, sentence or part of this ordinance shall be deemed or adjudged by a court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this ordinance.

SECTION 5: That this ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **8th day of June, 2020.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

Attachment: 2020-043 ORD granting SUP at 3324 Alexander Ave. (2268 : 2020-043 ORD granting SUP at 3324 Alexander Ave.)

3324 Alexander Avenue

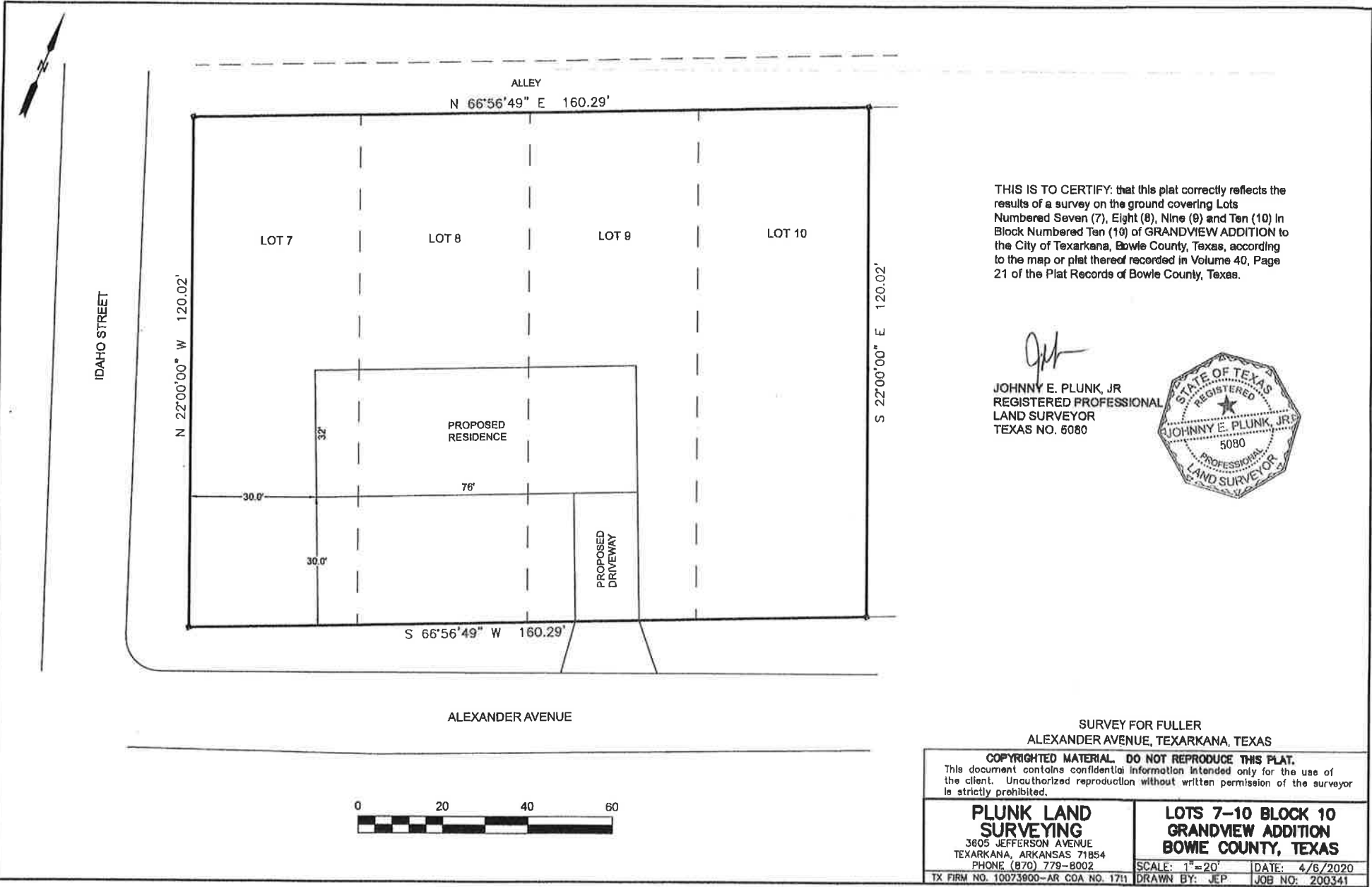


3324 Alexander



Attachment: 2020-043 ATTH 02 (aerial map) (2268 : 2020-043 ORD granting SUP at 3324 Alexander Ave.)





Attachment: 2020-043 ATTH 04 (survey) (2268 : 2020-043 ORD granting SUP at 3324 Alexander Ave.)

TEX-Burk, Debbie

From: TEX-Orr, David
Sent: Monday, May 4, 2020 12:30 PM
To: TEX-Burk, Debbie
Subject: FW: Support of Rezoning

David W. Orr
Director of Planning & Community Development

City of Texarkana, Texas
Office: (903) 798-3902
Cell: (903) 278-7735
Fax: (903) 798-3913
Email: david.orr@txkusa.org

Email communications through this office may be subject to Texas Public Records laws and may be shared with others.

From: Dr. James Anthony Morris <jamesamorris1@gmail.com>
Sent: Monday, May 4, 2020 12:10 PM
To: TEX - PCD <TEXPlanning@txkusa.org>
Subject: Support of Rezoning

CAUTION: This email originated from outside our email system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To: Texarkana Planning & Zoning Commission c/o Debbie Burk

This email is in support of the following:

Applicants: John and Valerie Fuller

3321 Findley Street - Texarkana, TX 75501

Location of Rezoning: 3324 Alexander Avenue - Texarkana, TX 75501

Proposed Change: Specific Use Permit to Allow a Double Wide HUD Code Manufactured Home

Legal Description: Lots 7-10, Block 10, Grandview Addition

Case No: S-717

The Hamilton Memorial AME Church is located across the street from this lot and we fully support the rezoning of this property to allow the Fullers to have a new home to replace their home that was damaged by fire.

Regards,

Dr. James Anthony Morris, Pastor
Hamilton Memorial AME Church
3401 Alexander Avenue - Texarkana, TX 75501

Attachment: 2020-043 ATTH 05 (email of support from church in area) (2268 : 2020-043 ORD granting SUP at 3324 Alexander Ave.)

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

NA

No Additional

Other Potential Impacts:

NA

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☒	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☒	Sign Posted

Other:

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 5/18/2020 3:58 PM

Lead Department: Planning and Community Development **Action Officer:** Debbie Burk,
Ordinance No. 2020-044 granting Specific Use Permit to allow a
Subject: telecommunications tower on Lots 7 & 8, Block 125, Trigg's Addition, located
at 1204 Wood Street. Fred Norton, applicant. Gregg Staggs, agent.

Briefing: 6/8/2020 **Public Hearing:** 6/8/2020 **Council Vote:** 6/8/2020

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:

S-718: This is a request by Fred Norton, owner, and Gregg Staggs, representing Integrisite and AT& T Mobility, agent, for a Specific Use Permit to allow the new build of a 180' AT&T telecommunications tower on Lots 7 & 8, Block 125, Trigg's Addition, located at 1204 Wood Street. The applicant has leased a 75' x 75' tract of land for the location of the proposed tower. The property is currently vacant land.

The adjacent zoning is Office to the north, south, east and west. The adjacent land use is vacant land to the north and east, a residence to the west and a church to the south across West 12th Street.

Per information provided by the applicant, AT & T Mobility is requesting this new tower "to provide capacity, relieve exhausted sectors, improve coverage and provide adequate RF signals for the AT & T network along State Line Avenue/Highway 71. AT & T takes all precautions necessary to ensure that none of its transmission locations interfere with any other carrier and/or wireless entity. Also, the tower will conform to applicable FCC standards for radio frequency emissions and copies of any federally studies or measurements of radio frequency."

The proposed 180' monopole telecommunications tower will be collapsible to one-half (90') of the tower height horizontally. There are no residential or commercial structures located within the 90' fall zone. The applicant has stated that there are no other towers in the immediate that would work for calculation. At the present time, AT & T is the only carrier for the tower.

The applicant provided a letter from the Federal Aviation Administration stating that an aeronautical study was done for this site. The study revealed that the structure does not exceed obstruction standards and will not be a hazard to air navigation.

Due to the need for cellular service in this area and since no structures are located within the 90' fall zone, staff recommends for approval of this request.

City of Texarkana, Texas

All notification and application requirements have been met to consider this request.

Potential Options:

None

Fiscal Implications:

Not applicable.

Staff Recommendation:

Staff recommends for approval.

Advisory Board/Committee Review:

The Planning and Zoning Commission unanimously recommended for approval.

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

May 4, 2020

Attachments

- a. 2020-044 ORD granting SUP at 1204 Wood St. (DOCX)
- b. 2020-044 EXH 'A' (site plan) (PDF)
- c. 2020-044 ATTH 01 (zoning map) (PDF)
- d. 2020-044 ATTH 02 (aerial map) (PDF)
- e. 2020-044 ATTH 03 (Fall zone map) (PDF)
- f. 2020-044 ATTH 04 (letter from AT & T) (PDF)
- g. 2020-044 ATTH 05 (letter from design engineer) (PDF)
- h. 2020-044 ATTH 06 (letter from FAA) (PDF)
- i. 2020-044 ATTH 07 (email from Wadley AT&T tower) (PDF)
- j. 2020-044 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review
Completed	05/18/2020 12:37 PM	
City Manager	Shirley Jaster	City Manager Review Completed
3:06 PM		05/19/2020
City Council	Jennifer Evans	Meeting
6:00 PM		Completed
		05/26/2020

Meeting History

05/26/20 City Council MOVED FORWARD Next: 06/08/20

ORDINANCE NO. 2020-044

S -718

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING THE ZONING MAP SHOWING THE LOCATION, BOUNDARY AND USE OF CERTAIN PROPERTY BY THE GRANTING OF SPECIFIC USE PERMIT NO. S-718 TO ALLOW THE LOCATION OF A TELECOMMUNICATIONS TOWER ON LOTS 7 AND 8, BLOCK 125, TRIGG'S ADDITION, LOCATED AT 1204 WOOD STREET, IN THE CITY OF TEXARKANA, BOWIE COUNTY, TEXAS; CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, an application has been filed with the City of Texarkana, Texas, requesting an amendment to the Zoning Ordinance to grant a **Specific Use Permit** to allow the **location of a telecommunications tower (Exhibit 'A') on Lots 7 and 8, Block 125, Trigg's Addition, located at 1204 Wood Street** in the City of Texarkana, Bowie County, Texas; and

WHEREAS, the Planning and Zoning Commission of the City of Texarkana, Texas, and the City Council of the City of Texarkana, Texas, in compliance with the laws of the State of Texas with reference to the granting of zoning classifications and changes, have given the requisite notices by publication and otherwise, and have afforded and held full and fair hearings to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof; and

WHEREAS, after consideration of said application, the Planning and Zoning Commission of the City of Texarkana, Texas, voted **four (4) to zero (0) with one (1) member abstaining, to recommend** to the City Council of Texarkana, Texas, that a **Specific Use Permit be granted to allow the location of a telecommunications tower** on said property; and

WHEREAS, after consideration of said application and the recommendation of the Planning and Zoning Commission, the City Council of the City of Texarkana, Texas, does hereby find that granting the **Specific Use Permit** is in the best interest of the public health, safety, morals and general welfare of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: That the Zoning Ordinance of the City of Texarkana, Texas, Ordinance No. 127-70, passed and approved on September 14, 1970, be further amended to grant **Specific Use Permit Numbered S-718 to allow the location of a telecommunications tower (Exhibit 'A') on Lots 7 and 8, Block 125, Trigg's Addition, located at 1204 Wood Street** in the City of Texarkana, Bowie County, Texas.

SECTION 2: All ordinances or parts of ordinances in conflict herewith are specifically repealed to the extent of such conflict.

Attachment: 2020-044 ORD granting SUP at 1204 Wood St. (2269 : 2020-044 ORD granting SUP at 1204 Wood St.)

SECTION 3: It is further provided that in case a section, clause, sentence or part of this ordinance shall be deemed or adjudged by a court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this ordinance.

SECTION 4: That this ordinance shall be in full force and effect from and after its passage and approval.

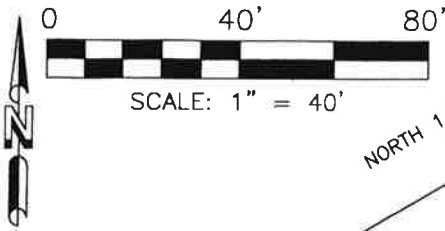
PASSED AND APPROVED in Regular Council Session on this the **8th day of June, 2020.**

ATTEST:

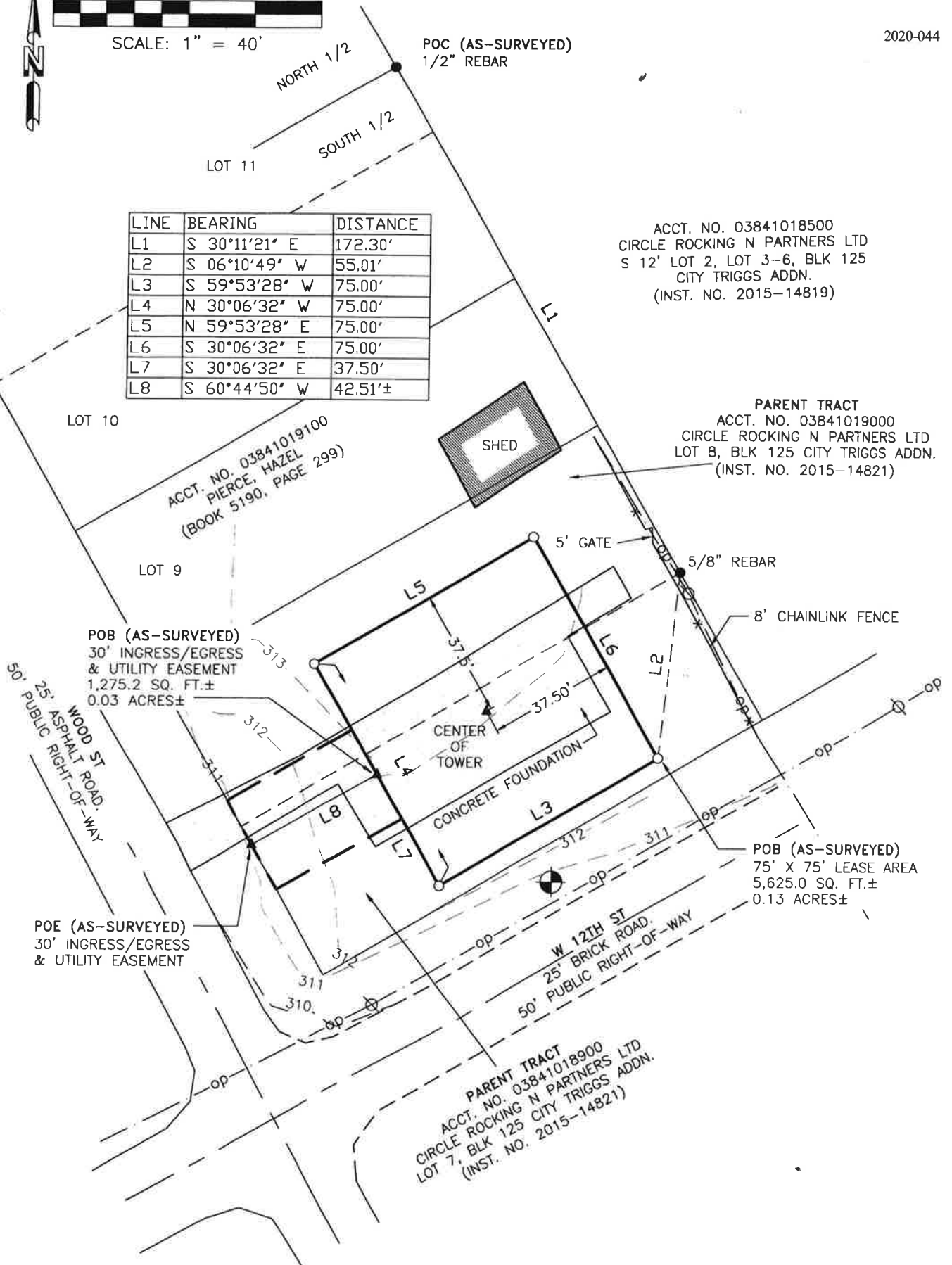
JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

2020-044



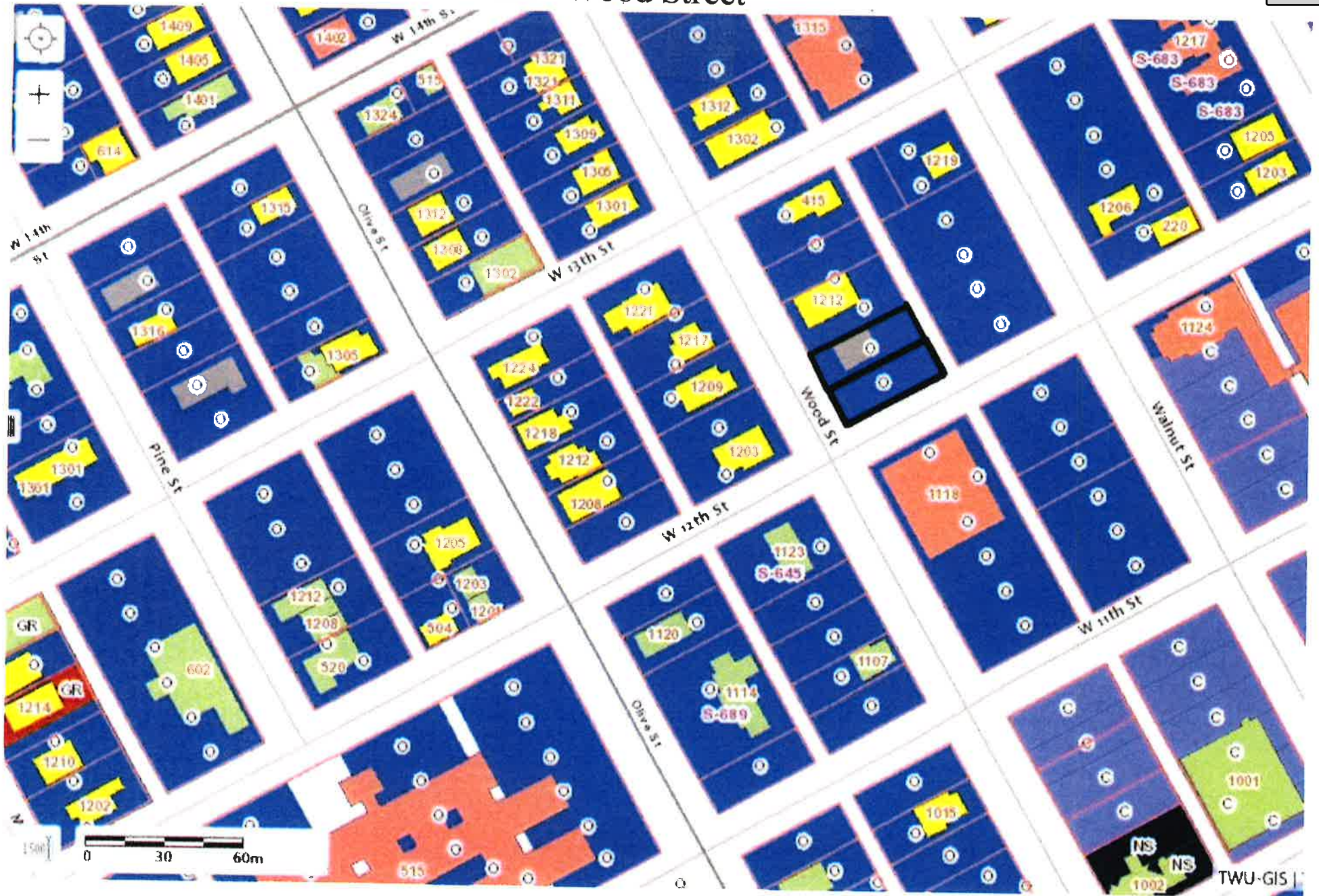
LINE	BEARING	DISTANCE
L1	S 30°11'21" E	172.30'
L2	S 06°10'49" W	55.01'
L3	S 59°53'28" W	75.00'
L4	N 30°06'32" W	75.00'
L5	N 59°53'28" E	75.00'
L6	S 30°06'32" E	75.00'
L7	S 30°06'32" E	37.50'
L8	S 60°44'50" W	42.51'±



Attachment: 2020-044 EXH 'A' (site plan) (2269 : 2020-044 ORD granting SUP at 1204 Wood St.)

1204 Wood Street

8.5.c



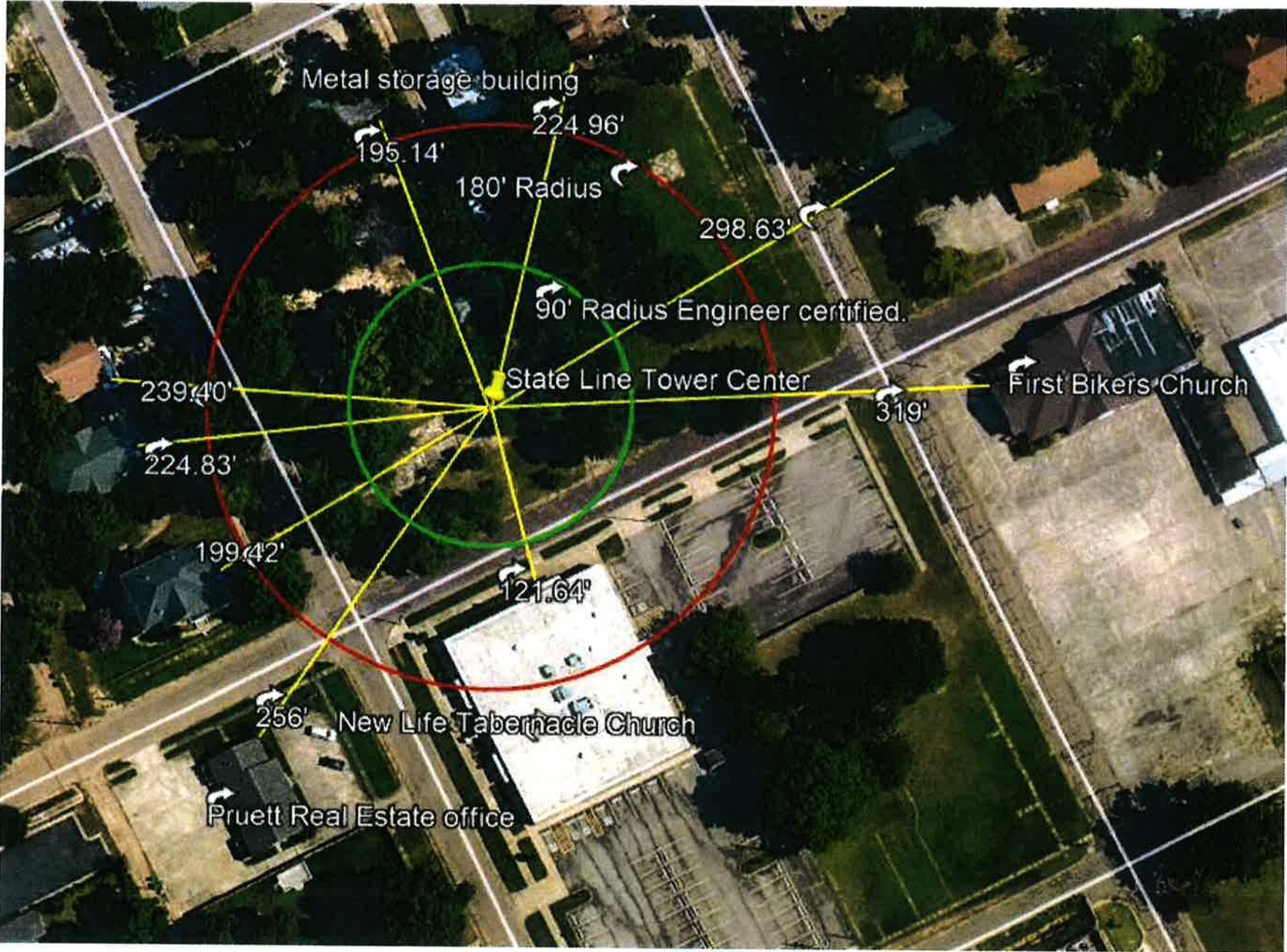
Attachment: 2020-044 ATTH 01 (zoning map) (2269 : 2020-044 ORD granting SUP at 1204 Wood St.)

1204 Wood



Attachment: 2020-044 ATTH 02 (aerial map) (2269 : 2020-044 ORD granting SUP at 1204 Wood St.)





Attachment: 2020-044 ATTH 03 (Fall zone map) (2269 : 2020-044 ORD granting SUP at 1204 Wood St.)



March 16, 2020

RE: Proposed Tower: State Line / ARL01843 / 14742272 / 3103A0K9LZ

To Whom It May Concern:

AT&T Mobility ("AT&T") respectfully submits this letter in an effort to construct a new telecommunications tower just outside the metropolitan area of Texarkana, Texas. The proposed new tower is required to provide capacity, relieve exhausted sectors, improve coverage and provide adequate RF signal for the AT&T network along Hwy 71/State Line Ave area.

This new site will improve the access to AT&T's enhanced E911 services as required the FCC (FirstNet, network exclusively for public safety and First Responders) as well as local PSAP and improve safety to the citizens. AT&T takes all precautions necessary to ensure that none of its transmission locations interfere with any other carrier and/or wireless entity. Also, the tower facility will conform to applicable FCC standards for radio frequency emissions and copies of any federally studies or measurements of radio frequency.

For AT&T to meet the increasing demand for its wireless services, it is essential to place telecommunication facilities in strategic locations to adequately support the expanding capacity requirements of both its voice and data networks. Specifically, AT&T RF Engineering has determined that there is a necessity for increased in-building voice and data capacity at the areas near this proposed new site. The areas near this proposed new site will experience increased in-building data throughput rates and improved signal as a result of the new tower.

Previous optimization efforts in the area encompassing the capacity exhausted neighboring AT&T sites, were unable to provide the needed coverage of traffic due to surrounding terrain conditions and distance to the targeted area. Before requesting permission to build a new tower, AT&T looks first for co-location opportunities. There are no opportunities for co-location in the current candidate search ring area.

If you have additional questions you may contact me at ma6375@att.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew Ashley".

Matthew Ashley

Sr Real Estate & Construction Manager (Arkansas / Oklahoma)

Attachment: 2020-044 ATTH 04 (letter from AT & T) (2269 : 2020-044 ORD granting SUP at 1204 Wood St.)

Sabre Industries™

Towers and Poles

March 11, 2020

Jamie Lahr
Vice President – Development, Operations & Engineering
Diamond Communications
820 Morris Turnpike, Suite 104
Short Hills, NJ 07078

RE: Proposed 180' Sabre Monopole and foundation for TX241 Wood Street, TX (20-6339-JDS)

Dear Mr. Lahr:

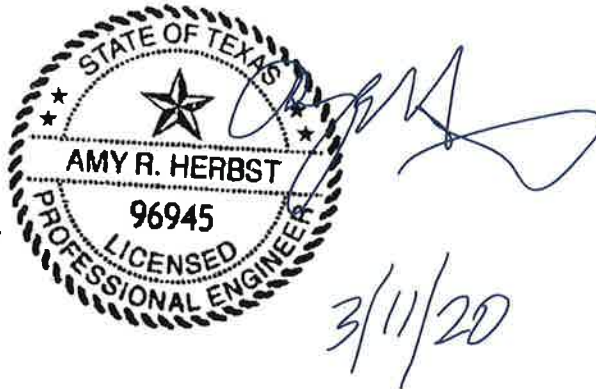
Upon receipt of order, we propose to design and supply a 180' monopole and foundation for the above referenced site. The monopole and foundation will be designed for an ASCE 7-16 ultimate wind speed of 105 mph without ice and 30 mph with 1.5" ice, Structure Class II, Exposure Category B and Topographic Category 1, in accordance with ANSI/TIA-222-G.

When designed according to this standard, the wind pressures and steel strength capacities include several safety factors. Therefore, it is highly unlikely that the monopole will fail structurally in a wind event where the design wind speed is exceeded within the range of the built-in safety factors.

Should the wind speed increase beyond the capacity of the built-in safety factors, to the point of failure of one or more structural elements, the most likely location of the failure would be within the monopole shaft, above the base plate. Assuming that the wind pressure profile is similar to that used to design the monopole, the monopole will buckle at the location of the highest combined stress ratio within the monopole shaft. This is likely to result in the portion of the monopole above leaning over and remaining in a permanently deformed condition. **Please note that this letter only applies to the above referenced monopole designed and manufactured by Sabre Towers & Poles.** This would effectively result in a fall radius less than or equal to 50% of the monopole height.

Sincerely,

Amy R. Herbst, P.E.
Senior Design Engineer





Mail Processing Center
Federal Aviation Administration
Southwest Regional Office
Obstruction Evaluation Group
10101 Hillwood Parkway
Fort Worth, TX 76177

Aeronautical Study No.
2020-ASW-4036-OE

Issued Date: 03/18/2020

Sandra Wiley
AT&T
208 S. Akard St.
Dallas, TX 75202

**** DETERMINATION OF NO HAZARD TO AIR NAVIGATION ****

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure:	Antenna Tower STATE LINE - ARL01843
Location:	Texarkana, TX
Latitude:	33-25-54.73N NAD 83
Longitude:	94-02-45.83W
Heights:	314 feet site elevation (SE)
	190 feet above ground level (AGL)
	504 feet above mean sea level (AMSL)

This aeronautical study revealed that the structure does not exceed obstruction standards and would not be a hazard to air navigation provided the following condition(s), if any, is(are) met:

It is required that FAA Form 7460-2, Notice of Actual Construction or Alteration, be e-filed any time the project is abandoned or:

- ☐ At least 10 days prior to start of construction (7460-2, Part 1)
☒ Within 5 days after the construction reaches its greatest height (7460-2, Part 2)

Based on this evaluation, marking and lighting are not necessary for aviation safety. However, if marking/lighting are accomplished on a voluntary basis, we recommend it be installed in accordance with FAA Advisory circular 70/7460-1 L Change 2.

This determination expires on 09/18/2021 unless:

- the construction is started (not necessarily completed) and FAA Form 7460-2, Notice of Actual Construction or Alteration, is received by this office.
- extended, revised, or terminated by the issuing office.
- the construction is subject to the licensing authority of the Federal Communications Commission (FCC) and an application for a construction permit has been filed, as required by the FCC, within 6 months of the date of this determination. In such case, the determination expires on the date prescribed by the FCC for completion of construction, or the date the FCC denies the application.

Attachment: 2020-044 ATTH 06 (letter from FAA) (2269 : 2020-044 ORD granting SUP at 1204 Wood St.)

TEX-Coopwood, Vicky

From: Brown, Shelby <Shelby.Brown@steward.org>
Sent: Friday, May 1, 2020 1:11 PM
To: TEX-Orr, David
Subject: AT&T Tower

CAUTION: This email originated from outside our email system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

David,

As far as Wadley Regional Medical Center is concerned, we are fine with the proposed AT&T tower erection near our location. Although this will not enhance our business operation, it should benefit the personal cell phone usage inside the hospital.

Respectfully,
Shelby

Shelby Brown

Director of Marketing & Planning
Wadley Regional Medical Center
O 903-798-8085 | F 903-798-8077 | wadleyhealth.org



Attachment: 2020-044 ATTH 07 (email from Wadley AT&T tower) (2269 : 2020-044 ORD granting SUP at 1204 Wood St.)

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

NA

No Additional

Other Potential Impacts:

NA

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☒	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☒	Sign Posted

Other:

City of Texarkana, Texas

Version: A

Update Date: 6/4/2020 11:25 AM

Briefing Sheet

Lead Department: Planning and Community Development **Action Officer:** David Orr, Planning & Community Development Director

Subject: Resolution No. 2020-051 supporting The Texarkanan (former Texarkana National Bank building) redevelopment project, authorizing use of funds to any person or entity allying with Texarkana Renewal Properties, LLC for the project, and authorizing the City Manager to execute any and all loan documents or other documents necessary for the project.

Briefing: 6/8/2020 **Public Hearing:** 6/8/2020 **Council Vote:** 6/8/2020

Item ScheduleSchedule 1: Brief twice - vote once (six weeks)**Updates/History of Briefing:**

NOT APPLICABLE

Executive Summary and Background Information:

The project includes restoration and redevelopment of two sites, the former Texarkana National Bank Building located at 100 W. Broad Street and the Parking Garage Property located on the SW corner of W. 3rd Street and Pine Street.

The former Texarkana National Bank building was originally constructed in 1914 with additions made in 1924 and 1962. The building contains 56,250 sq. ft, and at eight (8) stories, is the second tallest building downtown.

The proposed project contains several phases, with the initial phase being to remove the façade exposing the original architecture. Once this phase is complete, the developer will seek state and national historic designation. The proposed project will preserve the historic elements of the building while completely updating the property.

The goal is to redevelop the building with meeting space and offices on the ground level, apartments throughout the remaining floors with a restaurant included on the fifth floor.

City of Texarkana, Texas

Recent developments over the past several years included a Phase 1 EPA Brownfield Site Assessment completed in the Summer of 2011 and updated in December 2019, and Phase II Brownfields Environmental Site Assessment completed in April 2013, making the project eligible for EPA Revolving Loan funds.

The former parking garage property consists of a 0.32-acre parcel of land with a five-story 44,000+ sq. ft. parking garage and associated basement, office, and retail spaces. The parking garage was constructed in 1960.

The goal is to revitalize the parking garage for parking and storage, and to revitalize the retail space maintaining the retail use. The parking facility will be private parking for residents of the redeveloped Texarkanan.

Potential Options:

- Approve
- Deny

Fiscal Implications:

EPA Brownfields Cleanup loans	\$400,000
City Façade program loans	\$100,000
City Façade Restoration and Improvement Grants	\$10,000
Total	\$510,000

Staff Recommendation:

The developer is proposing a multiple phase approach for the redevelopment of this property that includes removal of the exterior façade and environmental cleanup as phase one. The phase one work will reveal the original brick façade to qualify for historic tax credits. Phase two will include actual construction work for the redevelopment of the property. Due to the complexity and multiple phasing of the development and financing plan, this loan is considered high risk. However, this development is important to the City's continued support of downtown revitalization efforts and the development is located in a federally qualified Opportunity Zone. Furthermore, the developer has a positive track record with other downtown properties. As a result, staff recommends approval with the following terms and conditions:

1. EPA Brownfields Cleanup loans up to \$400,000 for both the formerly Texarkana National Bank building and Parking Garage with a 12-year term. No interest for one year with interest only in years 2 and 3 with principle and interest due years 4-12.

City of Texarkana, Texas

Interest rate will be set at the 10-year treasury rate plus 1%.

2. City Façade program loans for \$50,000 for the formerly Texarkana National Bank building and \$50,000 for the Parking Garage each with a 10-year term. No interest for one year with interest only in years 2 and 3 with principle and interest due years 4-10. Interest rate will be set at the 10-year treasury rate plus 1%.
3. City Façade Restoration and Improvement Grants of \$5,000 each for the formerly Texarkana National Bank building and Parking Garage provided the terms, conditions and match requirements of the program are met.
4. Developer will follow all applicable City Building Codes along with all EPA Brownfield Program terms and conditions. Developer will ensure work is protective of human health & the environment including but not limited to adherence to approved EPA cleanup plans, approved EPA closure reports and Davis-Bacon requirements.
5. For the EPA loan, the lender may withhold up to twenty percent (20%) of each payment requested as a retainage until any **EPA Agency or Lender required closure reports are received and approved by the Agency.**
6. Assign collateral acceptable to the internal staff loan committee.
7. Developer provide additional letters of financial commitment and an updated proforma after Phase I work is completed and prior to Phase II beginning.

Advisory Board/Committee Review:

EPA Revolving Loan Program (RLF) Committee

Board/Committee Recommendation:

EPA Revolving Loan Program RLF Committee recommended approval with staff terms and conditions.

Advisory Board/Committee Meeting Date and Minutes:

EPA Revolving Loan Program (RLF) Committee met on May 14th, 2020 - Meeting Minutes Attachment

Attachments

- a. 2020-051 RES Auth City Manager to enter into agreements Texarkana National Bank & Parking Garage Properties (DOCX)
- b. 2020-051 ATTH 01 TNB Presentation_D Peavy (PDF)
- c. 2020-051 ATTH 02 RLF Committee May 14 2020 Minutes (DOCX)
- d. 2020-051 ATTH 03 Guaranty Tex Ren Prop 217-223 Pinefinal (DOCX)
- e. 2020-051 ATTH 04 Tex Ren Prop Facade Loan DOT 217-223 Pine jt rvsdcleanfinal (DOCX)
- f. 2020-051 ATTH 05 Promissory Note 217 - 223 Pine Stjt rvsdcleanfinal (DOCX)

City of Texarkana, Texas

- g. 2020-051 ATTH 06 Tex Ren Prop Facade Loan DOT100 W Broadfinal (DOCX)
- h. 2020-051 ATTH 07 Promissory Note 100 Broadfinal (DOCX)
- i. 2020-051 ATTH 08 Guaranty Tex Ren Prop 100 W Broadfinal (DOCX)
- j. 2020-051 ATTH 09 Texarkana Renewal Properties Agreement v2clean agrmt ExA ExBfinal (DOCX)
- k. 2020-051 ATTH 10 ATTACHMENT C Note (DOCX)
- l. 2020-051 ATTH 11 ATTACHMENT D Security Agreement (DOCX)
- m. 2020-051 ATTH 12 Guaranty \$400000final (DOCX)
- n. 2020-051 ATTH 13 Ex F - H (DOCX)
- o. 2020-051 ATTH 14 ATTACHMENT E (DOCX)
- p. 2020-051 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review	
Completed	05/20/2020 10:39 AM		
Finance Department	Kristin Peebles	Finance Review	Completed 05/20/2020 10:48 AM
City Manager	Shirley Jaster	City Manager Review	Completed 05/20/2020 2:43 PM
City Council	Jennifer Evans	Meeting	Completed 05/26/2020 6:00 PM

Meeting History

05/26/20	City Council	MOVED FORWARD	Next: 06/08/20
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RESOLUTION NO. 2020-051

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, APPROVING SUPPORT OF THE TEXARKANA PROJECT TO REDEVELOP THE FORMER TEXARKANA NATIONAL BANK AND PARKING GARAGE PROPERTIES, AND APPROVING THE USE OF COMMITTED FUNDS TO ANY PERSON OR ENTITY ALLYING WITH TEXARKANA RENEWAL PROPERTIES, LLC FOR THE PROJECT, AND AUTHORIZING THE CITY MANAGER TO SIGN ANY AND ALL LOAN DOCUMENTS OR OTHER DOCUMENTS NECESSARY FOR THE PROJECT; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the redevelopment of these two properties are pivotal for downtown revitalization and increasing the tax base of the City of Texarkana, Texas, and

WHEREAS, grant funds and other non-general fund dollars are available for this project; and

WHEREAS, City staff and the RLF Loan Committee approved by unanimous vote an EPA Brownfields Revolving Loan Fund loan up to \$400,000, City Façade loans in the amount of \$50,000 for each property, and City Façade Restoration and Improvement Grants in the amount of \$5,000 for each property; and

WHEREAS, Texarkana Renewal Properties, LLC is preparing applications for tax credit opportunities and PACE loans; and

WHEREAS, the City Council intends by this resolution to affirm its approval and support of the redevelopment project, authorizing the City Manager to execute any and all loan documents or other documents necessary for the project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: The City Council affirms its approval and support of the project to redevelop the former Texarkana National Bank and Parking Garage properties.

SECTION 2: The City Council authorizes the City Manager to execute any and all loan documents or other documents necessary for the project.

SECTION 3: This Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **8th day of June, 2020.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

TEXARKANA NATIONAL BUILDING Re-Development

By

Texarkana Renewal Properties, LLC

The Texarkana

Apartments/ Hotel/ Venue/ Retail

An Opportunity Zone Development

Investor/ Loan Package

February, 2020



**Texarkana
National Bank
1914-1980's
Hibernia Bank
1980's
Capital One Bank
2000's
Left 2011**

**Slip Cover over the original
Façade installed in 1971**

Texarkana National Bank Building,
Texarkana, Ark -Tex.

2020-051 ATTH 01

8.6.b

Texarkana National Bank 1914-1924

Original Building was
25 foot wide



Attachment: 2020-051 ATTH 01 TNB Presentation_D Peavy (2270 : 2020-051 RES Auth CM

Texarkana National Bank Expanded in 1924- 1925





2020-051 ATTH 01

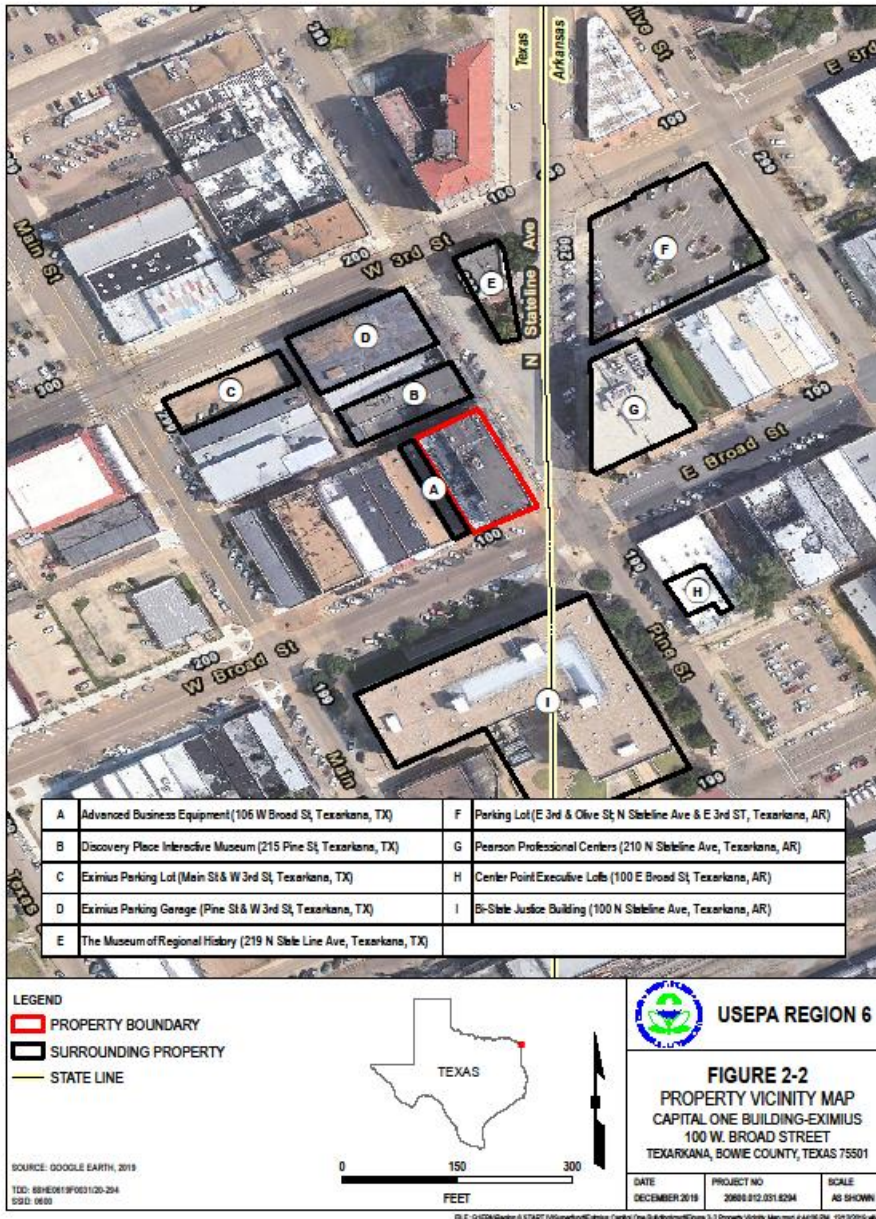
8.6.b

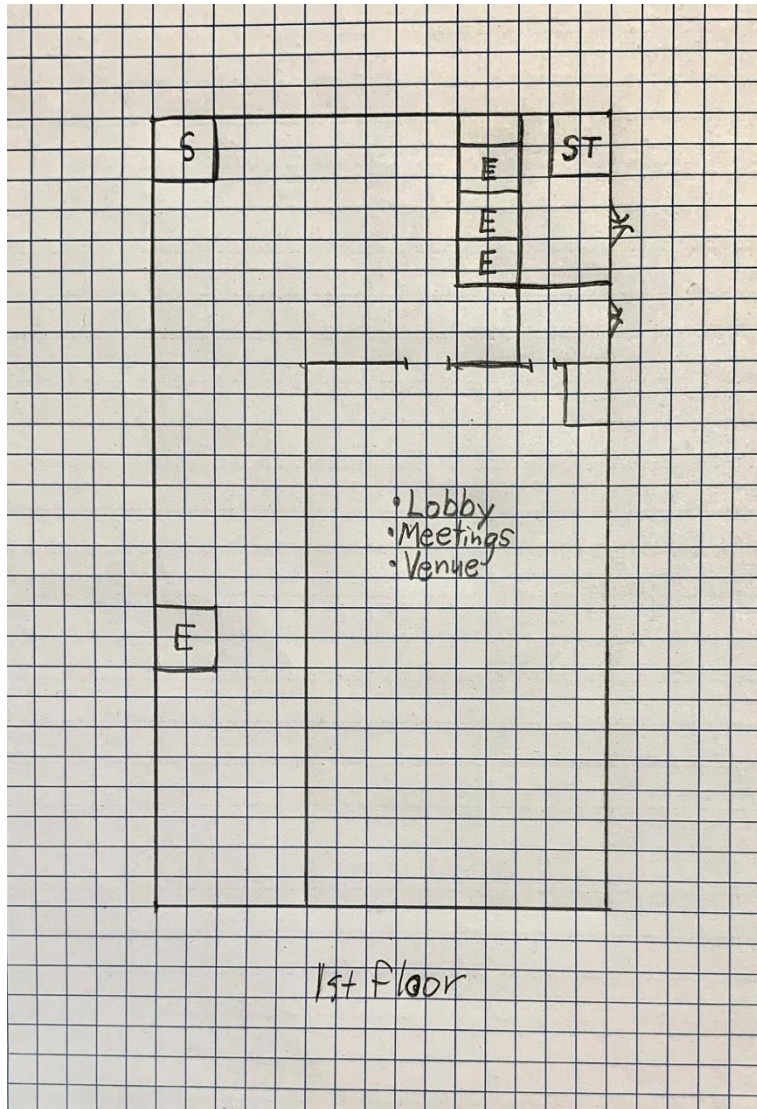
**Much of the Original Architectural
Artwork still exist under the slip**

Attachment: 2020-051 ATTH 01 TNB Presentation_D Peavy (2270 : 2020-051 RES Auth CM

Location Map

Redevelopment Building Location (Red Outline)



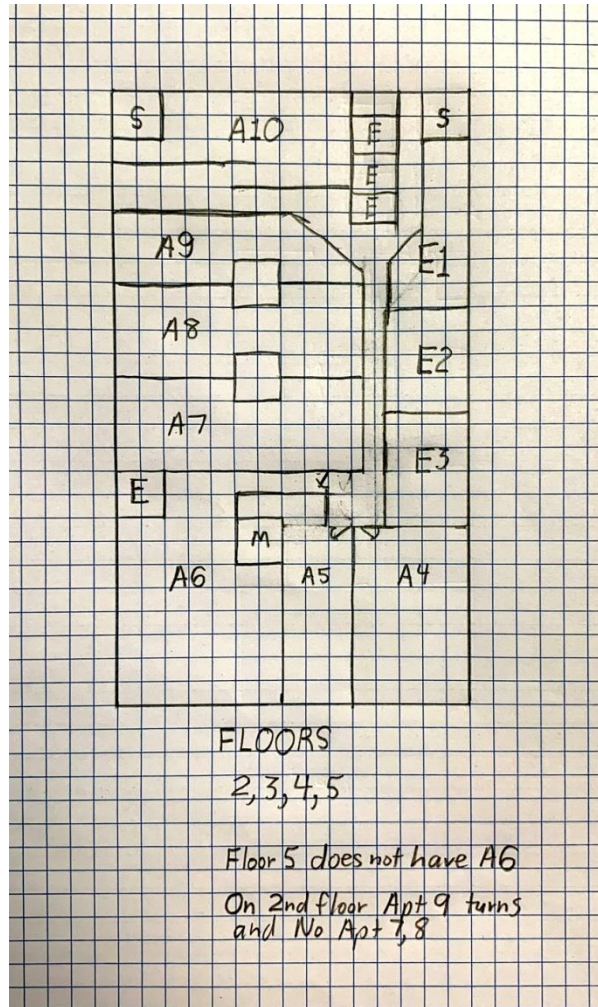


Preliminary Redevelopment layout drawings

1st Floor

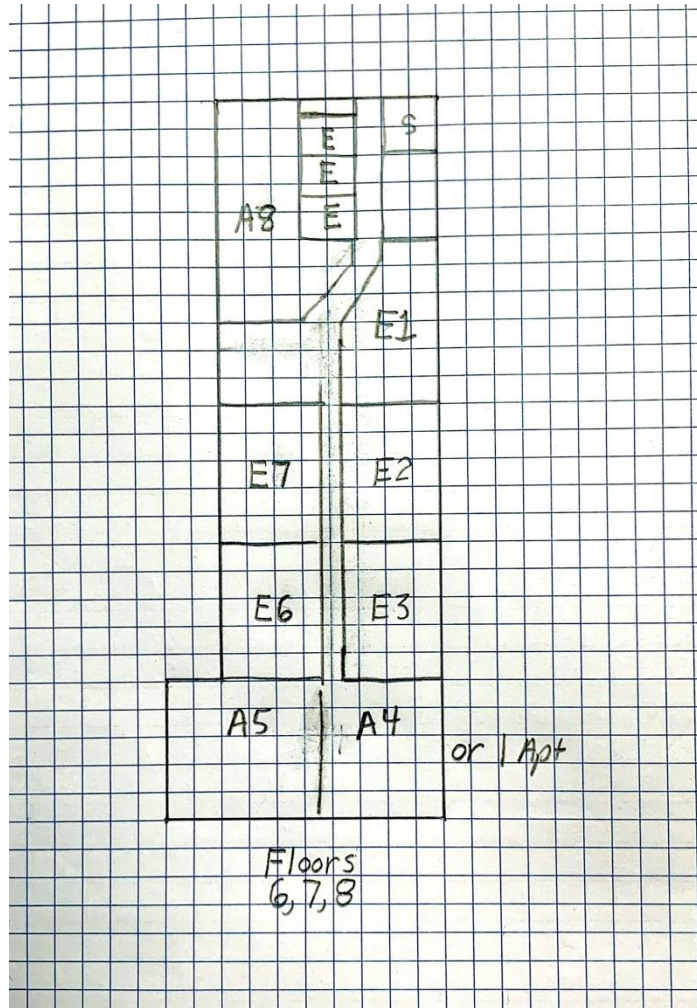
Preliminary Redevelopment layout drawings

2-4st Floors



Preliminary Redevelopment layout drawings

6-8th Floor



Preliminary Cost Projections For Texarkanan Building

Attachment: 2020-051 ATTH 01 TNB Presentation_D Peavy : 2020-051 RES Auth CM

B	C	D	E	F	G	H	I	J	K	L
Description of Work	Scheduled Value	Change Order	Revised Scheduled Value	Work Complete Previous Applications	This Period	Materials Presently Stored	Total Completed and Stored to Date	%	Balance to Finish	Retainage
Property	300,000.00	0.00	300,000.00	0.00	0.00	0.00	0.00	0.00%	300,000.00	0.00
Historic Cert/phase1-3	30,000.00	0.00	30,000.00	0.00	0.00	0.00	0.00	0.00%	30,000.00	0.00
Architect/ Engineering	120,000.00	0.00	120,000.00	0.00	0.00	0.00	0.00	0.00%	120,000.00	0.00
Insurance	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Bank Interest	150,000.00	0.00	150,000.00	0.00	0.00	0.00	0.00	0.00%	150,000.00	0.00
Inspections	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Permits	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Bank closing cost	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Cash	75,000.00	0.00	75,000.00	0.00	0.00	0.00	0.00	0.00%	75,000.00	0.00
Direct Labor				0.00	0.00	0.00	0.00			0.00
	300,000.00	0.00	300,000.00	0.00	0.00	0.00	0.00	0.00%	300,000.00	0.00
Trash/ Utilities	75000.00	0.00	75,000.00	0.00	0.00	0.00	0.00	0.00%	75,000.00	0.00
Termite - Pillow	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Roof Repair	150,000.00	0.00	150,000.00	0.00	0.00	0.00	0.00	0.00%	150,000.00	0.00
Brick Cap/ Flashing	30,000.00	0.00	30,000.00	0.00	0.00	0.00	0.00	0.00%	30,000.00	0.00
Asbestos Abatement	750,000.00	0.00	750,000.00	0.00	0.00	0.00	0.00	750.00%	750,000.00	0.00
Stairs Upgrades	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00	0.00%	100,000.00	0.00
Sprinkler system	250,000.00	0.00	250,000.00	0.00	0.00	0.00	0.00	250.00%	250,000.00	0.00
Fire Alarm	125,000.00	0.00	125,000.00	0.00	0.00	0.00	0.00	0.00%	125,000.00	0.00
Access Control	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Gates/ Fences	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Stairwell railing	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
Steel beam adds	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Handrails at basement entrances	9,000.00	0.00	9,000.00	0.00	0.00	0.00	0.00	0.00%	9,000.00	0.00
Terracotta/brick repairs	225,000.00	0.00	225,000.00	0.00	0.00	0.00	0.00	0.00%	225,000.00	0.00
Windows/Glass	200,000.00	0.00	200,000.00	0.00	0.00	0.00	0.00	0.00%	200,000.00	0.00
Bldg Materials	1,200,000.00	0.00	1,200,000.00	0.00	0.00	0.00	0.00	0.00%	1,200,000.00	0.00
Basement	75,000.00	0.00	75,000.00	0.00	0.00	0.00	0.00	0.00%	75,000.00	0.00
FramingDrywall/ Painting	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Trim Work	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
Plumbing	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
A/C	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Electrical	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
Millwork	2,500.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00%	2,500.00	0.00
Flooring	5,000.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00%	5,000.00	0.00
1st Floor	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
FramingDrywall/ Painting	150,000.00	0.00	150,000.00	0.00	0.00	0.00	0.00	0.00%	150,000.00	0.00
Plaster Repair/Trim Work	225,000.00	0.00	225,000.00	0.00	0.00	0.00	0.00	225.00%	225,000.00	0.00
Plumbing	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
A/C	50,000.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00%	50,000.00	0.00
Electrical	40,000.00	0.00	40,000.00	0.00	0.00	0.00	0.00	0.00%	40,000.00	0.00
2nd- 8th Floor		0.00		0.00	0.00					
FramingDrywall/ Painting	800,000.00	0.00	800,000.00	0.00	0.00	0.00	0.00	0.00%	800,000.00	0.00
Trim Work	250,000.00	0.00	250,000.00	0.00	0.00	0.00	0.00	0.00%	250,000.00	0.00
Plumbing	600,000.00	0.00	600,000.00	0.00	0.00	0.00	0.00	0.00%	600,000.00	0.00
A/C	800,000.00	0.00	800,000.00	0.00	0.00	0.00	0.00	0.00%	800,000.00	0.00
Electrical	800,000.00	0.00	800,000.00	0.00	0.00	0.00	0.00	0.00%	800,000.00	0.00
Glass	50,000.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00%	50,000.00	0.00
Countertops	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Millwork	80,000.00	0.00	80,000.00	0.00	0.00	0.00	0.00	0.00%	80,000.00	0.00
Flooring	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00	0.00%	100,000.00	0.00
Elevator Shaft	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
FramingDrywall/ Painting	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Trim Work	2,000.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00%	2,000.00	0.00
Electrical	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Steel	5,000.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00%	5,000.00	0.00
Stairwell N-S		0.00		0.00	0.00					
FramingDrywall/ Painting	64,000.00	0.00	64,000.00	0.00	0.00	0.00	0.00	0.00%	64,000.00	0.00
Trim Work	1,000.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00%	1,000.00	0.00
Electrical	5,000.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00%	5,000.00	0.00
Flooring	2,000.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00%	2,000.00	0.00
Elevator	750,000.00	0.00	750,000.00	0.00	0.00	0.00	0.00	750.00%	750,000.00	0.00
Basement Concrete	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Outside upgrades	32,000.00	0.00	32,000.00	0.00	0.00	0.00	0.00	0.00%	32,000.00	0.00
Insulation/ Fireproof	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00	0.00%	100,000.00	0.00
Extra/adds/fees	490,000.00		490,000.00	0.00	0.00	0.00	0.00	0.00%	490,000.00	0.00
TOTALS	9,997,500.00	0.00	9,997,500.00	0.00	0.00	0.00	0.00	0.00%	9,997,500.00	0.00

Preliminary Investment Projections and Income For Texarkana Building

Investments	Scheduled Value	Change Order	Revised Scheduled Value	Interest	Monthly Payments	Without Investors
EPA Loan I	400,000.00		400,000.00	3%	3863	10y 3863
EPA Loan II	333,000.00		333,000.00	3%	3216	10y 3216
Façade Loan	50,000.00	0.00	50,000.00	3%	966	10y 966
Façade Grant	5,000.00	0.00	5,000.00	0%	0	0
Pace loan	2,300,000.00	0.00	2,300,000.00	7%	16256	25 16256
Private Investors/ Condo Sales	4,884,500.00	0.00	4,884,500.00	6%	0	25 31470
Texas State Historic Tax Credits 25%	2,025,000.00	0.00	2,025,000.00	0%	0	0
Federal Tax Credits	0.00		0.00	0%	0	20 0
TOTALS	9,997,500.00	0.00	9,997,500.00		24301	55771

Historic Tax Credits $9,000,000 \times .25 \times .9 = \$2,025,000$

Federal Tax Credits $9,000,000 \times .20 \times .8 = \$1,440,000$

Investments (Selling Out the Federal Tax credits)	Scheduled Value	Change Order	Revised Scheduled Value	Interest	Monthly Payments	Without Investors
EPA Loan I	400,000.00		400,000.00	3%	3863	10y 3863
EPA Loan II	333,000.00		333,000.00	3%	3216	10y 3216
Façade Loan	50,000.00	0.00	50,000.00	3%	966	10y 966
Façade Grant	5,000.00	0.00	5,000.00	0%	0	0
Pace loan	2,300,000.00	0.00	2,300,000.00	7%	16256	25 16256
Private Investors/ Condo Sales	3,444,500.00	0.00	3,444,500.00	6%	0	25 22193
Texas State Historic Tax Credits 25%	2,025,000.00	0.00	2,025,000.00	0%	0	0
Federal Tax Credits	1,440,000.00		1,440,000.00	0%	0	20 0
TOTALS	9,997,500.00	0.00	9,997,500.00		24301	46494

Parking Garage and Storage and Retail



THE TEXARKANA NATIONAL BANK
THE TEXARKANA NATIONAL MOTOR BANK
THE INSTALMENT LOAN BUILDING
THE TEXARKANA NATIONAL PARKING GARAGE

Growing with Texarkana . . . since the horse and buggy days . . . from the pioneer times of seventy-five years ago to the comfort of the hour . . . so much has The Texarkana National Bank looked upon in its seventy-five years . . . and so much do we see ahead . . . as we wish our many friends good fortune and happiness.

Preliminary Cost Projections For Texarkana Garage and Storage

Description of Work	Scheduled Value	Change Order	Revised Scheduled Value	Work Complete Previous Applications	This Period	Materials Presently Stored	Total Completed and Stored to Date	%	Balance to Finish	Retainage
Property	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00	0.00%	100,000.00	0.00
Historic Cert/phase1-3	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
Architect/ Engineering	50,000.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00%	50,000.00	0.00
Insurance	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Bank Interest	50,000.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00%	50,000.00	0.00
Inspections	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Permits	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Bank closing cost	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Cash	50,000.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00%	50,000.00	0.00
Direct Labor				0.00	0.00	0.00	0.00			0.00
Other Labor	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00	0.00%	100,000.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00
Trash/ Utilities	24,000.00	0.00	24,000.00	0.00	0.00	0.00	0.00	0.00%	24,000.00	0.00
Termite - Pillow	10,000.00	0.00	10,000.00	0.00	0.00	0.00	0.00	0.00%	10,000.00	0.00
Roof Repair	150,000.00	0.00	150,000.00	0.00	0.00	0.00	0.00	0.00%	150,000.00	0.00
Exterior facade	6,000.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00%	6,000.00	0.00
Asbestos Abatement	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Stairs Upgrades	100,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00	0.00%	100,000.00	0.00
Sprinkler system	150,000.00	0.00	150,000.00	0.00	0.00	0.00	0.00	0.00%	150,000.00	0.00
Structural improvements	30,000.00	0.00	30,000.00	0.00	0.00	0.00	0.00	0.00%	30,000.00	0.00
1st floor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00
2nd floor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00
3rd floor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00
Fire Alarm	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Access Control/cameras	75,000.00	0.00	75,000.00	0.00	0.00	0.00	0.00	0.00%	75,000.00	0.00
Steel railing/ structure/ fences/gates		0.00		0.00	0.00					
Gates/Fences	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
Steel beam adds	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Handrails at basement entrances	9,000.00	0.00	9,000.00	0.00	0.00	0.00	0.00	0.00%	9,000.00	0.00
bldg Materials	75,000.00	0.00	75,000.00	0.00	0.00	0.00	0.00	0.00%	75,000.00	0.00
Basement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00
FramingDrywall/ Painting	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Trim Work	5,000.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00%	5,000.00	0.00
Plumbing	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
A/C	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Electrical	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
Millwork	2,500.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00%	2,500.00	0.00
Flooring	5,000.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00%	5,000.00	0.00
Glass	2,000.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00%	2,000.00	0.00
1st Floor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00	0.00
FramingDrywall/ Painting	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Trim Work	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Plumbing	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
A/C	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Electrical	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
2nd- 5th Floor		0.00		0.00	0.00					
FramingDrywall/ Painting	40,000.00	0.00	40,000.00	0.00	0.00	0.00	0.00	0.00%	40,000.00	0.00
Plumbing	15,000.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00%	15,000.00	0.00
Electrical	50,000.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00%	50,000.00	0.00
Glass	25,000.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00%	25,000.00	0.00
Partitions	80,000.00	0.00	80,000.00	0.00	0.00	0.00	0.00	0.00%	80,000.00	0.00
Flooring	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
Stairwell N-S		0.00		0.00	0.00					
FramingDrywall/ Painting	64,000.00	0.00	64,000.00	0.00	0.00	0.00	0.00	0.00%	64,000.00	0.00
Trim Work	1,000.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00%	1,000.00	0.00
Electrical	5,000.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00%	5,000.00	0.00
Flooring	2,000.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00%	2,000.00	0.00
Outside upgrades	32,000.00	0.00	32,000.00	0.00	0.00	0.00	0.00	0.00%	32,000.00	0.00
Insulation/ Fireproof	20,000.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00%	20,000.00	0.00
Extra/adds/fees	26,500.00	0.00	26,500.00	0.00	0.00	0.00	0.00	0.00%	26,500.00	0.00
TOTALS	1,749,000.00	0.00	1,749,000.00	0.00	0.00	0.00	0.00	0.00%	1,749,000.00	0.00

Preliminary Investment Projections and Income For Texarkana Garage and Storage

Investments	Scheduled Value	Change Order	Revised Scheduled Value	Interest	Monthly Payments	Without Investors
EPA Loan I	25,000.00		25,000.00	3%	241	241
Façade Loan	50,000.00	0.00	50,000.00	3%	483	483
Façade Grant	5,000.00	0.00	5,000.00	0%	0	0
Pace loan	247,390.00	0.00	247,390.00	7%	1759	1759
Private Investors	844,110.00	0.00	844,110.00	0%	0	6230
Texas State Historic Tax Credits 25%	337,500.00	0.00	337,500.00	0%	0	0
Federal Tax Credits	240,000.00		240,000.00	7%	0	1861
TOTALS	1,749,000.00	0.00	1,749,000.00		2483	10574

Historic Tax Credits $1,500,000 \times .25 \times .9 = \$337,500$

Federal Tax Credits $1,500,000 \times .20 \times .8 = \$240,000$

Potential Income	Monthly Scheduled Value	Change Order	Annual Scheduled Value
Retail 1	750.00	0.00	9,000.00
Retail 2	750.00	0.00	9,000.00
Retail 3	750.00	0.00	9,000.00
Retail 4	750.00	0.00	9,000.00
Storage	6,000.00	0.00	72,000.00
Parking	3,400.00	0.00	40,800.00
Parking Enclosed	800.00	0.00	9,600.00
TOTALS	13,200.00	0.00	158,400.00



Other Downtown Investments

Downtown Texarkana is on a long awaited rebound. Millions of dollars are currently being poured into the buildings and infrastructure of Downtown.

Grim Hotel	\$26,000,000
Post Office/ Courthouse	\$14,000,000
1894City Market	\$4,000,000
Regions Bank	\$3,000,000
Moore's Furniture	\$1,500,000

Some of these cost are projections.

Many other smaller projects are underway in downtown Texarkana.

Investor Opportunities

1. If you have capital gains taxes generated in the last 18 months, you could shelter those taxes until 2027. Those taxes could also be reduced by 10 percent after 5 years.
2. You could receive a 20% tax credit for investing in a historic building.
3. You could keep equity in the building and receive revenue from leasing out the building. Your share of the net income would be proportional to your share of the partnership.
4. You can buy Condo Space up front at a 30% savings from the completed building price.



An Investor would be an Equity Owner of the building.

A \$100,000 investment would buy a 1% interest in the building,
based on the \$10,000,000 we are projected to spend on the building.

Future Returns would be paid at a pro rata % share to the investor after loan principles and interest, expenses, reserves, and management fees are paid.

Condo Price List per Floor

Pricing	Early Bird	After Building
	Price Per Foot	or Floor Complete
2nd Floor		
	\$260	\$360
700	\$182,000	\$252,000
450	\$117,000	\$162,000
1480	\$384,800	\$384,800
1750	\$455,000	\$630,000
850	\$221,000	\$306,000
450	\$117,000	\$162,000
850	\$221,000	\$306,000

3rd Floor		
	\$260	\$360
700	\$182,000	\$252,000
450	\$117,000	\$162,000
1480	\$384,800	\$384,800
1750	\$455,000	\$630,000
1040	\$270,400	\$374,400
1000	\$260,000	\$360,000
850	\$221,000	\$306,000
450	\$117,000	\$162,000
850	\$221,000	\$306,000

4th Floor		
	\$260	\$360
700	\$182,000	\$252,000
450	\$117,000	\$162,000
1480	\$384,800	\$384,800
1750	\$455,000	\$630,000
1040	\$270,400	\$374,400
1000	\$260,000	\$360,000
850	\$221,000	\$306,000
450	\$117,000	\$162,000
850	\$221,000	\$306,000

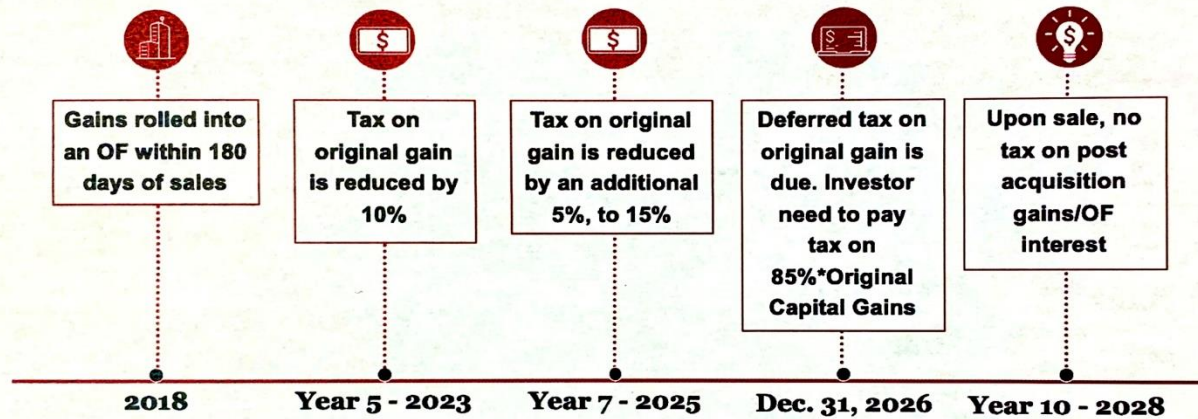
Pricing	Early Bird	After Building
	Price Per Foot	or Floor Complete
5th Floor		
	\$270	\$370
700sqft	\$189,000	\$259,000
450sqft	\$121,500	\$166,500
450sqft	\$121,500	\$166,500
900sqft	\$243,000	\$333,000
580sqft	\$156,600	\$214,600
1750sqft	\$472,500	\$647,500
1040sqft	\$280,800	\$384,800
1000sqft	\$270,000	\$370,000
800sqft	\$216,000	\$296,000
800sqft	\$216,000	\$296,000

6th Floor		
	\$280	\$380
1300sqft	\$364,000	\$494,000
800sqft	\$224,000	\$304,000
450sqft	\$126,000	\$171,000
450sqft	\$126,000	\$171,000
900sqft	\$252,000	\$342,000

7th Floor		
	\$290	\$390
1300sqft	\$377,000	\$507,000
800sqft	\$232,000	\$312,000
450sqft	\$130,500	\$175,500
450sqft	\$130,500	\$175,500
450sqft	\$130,500	\$175,500
900sqft	\$261,000	\$351,000

8th Floor		
	\$300	\$400
1300sqft	\$390,000	\$520,000
800sqft	\$240,000	\$320,000
450sqft	\$135,000	\$180,000
450sqft	\$135,000	\$180,000
450sqft	\$135,000	\$180,000
900sqft	\$270,000	\$360,000

Opportunity Fund Incentives | Tax Deferral Timeline



*Tax benefits of opportunity zone are reliant on the Sponsor meeting the requirements outlined in the code. Full regulations have not been issued and may never be fully issued.

IRS CODE ALLOWANCES FOR TAX CREDITS

2020-051 ATTH 01

8.6.b

30. What are some examples of expenses that do not qualify for the rehabilitation tax credit?

Acquisition costs

Appliances

Cabinets

Carpeting (if tacked in place and not glued)

Decks (not part of original building)

Demolition costs (removal of a building on property site)

Enlargement costs (increase in total volume)

Fencing

Feasibility studies

Financing fees

Furniture

Landscaping

Leasing Expenses

Moving (building) costs (if part of acquisition)

Outdoor lighting remote from building

Parking lot

Paving

Planters

Porches and Porticos (not part of original buildings)

Retaining Walls

Sidewalks

Signage

Storm Sewer Construction Costs

31. What are some expenses that qualify for the rehabilitation tax credit?

Any expenditure for a structural component of a building will qualify for the rehabilitation tax credit. Treasury Regulation 1.48-1(e)(2) defines structural components to include walls, partitions, floors, ceilings, permanent coverings such as paneling or tiling, windows and doors, components of central air conditioning or heating systems, plumbing and plumbing fixtures, electrical wiring and lighting fixtures, chimneys, stairs, escalators, elevators, sprinkling systems, fire escapes, and other components related to the operation or maintenance of the building. In addition to the above named "hard costs", there are "soft costs" which also qualify. These include construction period interest and taxes, architect fees, engineering fees, construction management costs, reasonable developer fees, and any other fees paid that would normally be charged to a capital account.

To be Clear:

The cost in these charts are projections and the real cost could be more or less. The gross income projections are not guaranteed and are only possible projections.

There are two projects here, one is the Texarkana 8 story building. The other is the parking garage. There is a key shop next to the garage that is not in these two projects.

We are looking for investors in the two projects independent of each other.

The gross income would require that expenses be taken out to determine the Net income.

Some of those expenses would be:

Utilities

Advertizing

Professional services

Cleaning and maintaining

Maintenance contracts

Replacement reserves

Payment of principle and interest on loans

Insurance

Property Taxes

Management cost of 15%

To be Clear:

We will be applying to get both the buildings on the national register. This will allow these projects to be eligible for state and federal tax credits.

We believe both buildings have the historic significance to qualify and be awarded national register status.

It is possible that one or both of these buildings could not be allowed national register status.

It is also possible that the National Park service could make requirements that could increase the cost of these projects.

Also, we could find hidden and concealed building flaws that we did not anticipate.

City of Texarkana, Texas
EPA Revolving Loan Program
RLF Committee Meeting
May 14, 2020, 3:30 p.m.
Via Zoom Meeting 94259526166

Members Present:

Diane Martin
Philip Mobley
Jerry Sparks
Millagros Serrano

City Staff Present:

David Orr
Kristen Peeples
Daphnea Ryan

Developer(s) Present:

David Peavy

The City of Texarkana, Texas presented one loan application for EPA Brownfields Revolving Loan Fund from Texarkana Renewal Properties, LLC. The loan is for environmental cleanup of the former Capital One/Texarkana National Bank Building located at 100 W. Broad Street, and the old parking garage and retail space located at 217-223 Pine Street for an initial loan in an amount not to exceed \$400,000. The developer is also requesting a City Façade loan of each building

Developer, Texarkana Renewal Properties, LLC, represented by David Peavy provided an overview of the planned project, answered questions, and exited the meeting. The Committee discussed the loan request, interest rate, other funding sources, and the applicant's proforma. Committee members acknowledged the health and safety benefit to the community to abate the exterior asbestos and remove the aging façade as the first phase. The committee agreed for a successful redevelopment the façade removal is needed prior to securing additional funding.

After full discussion, Dianne Martin made a motion to approve an EPA RLF loan up to \$400,000, a \$50,000 City Façade loan for the former Texarkana National Bank building, \$50,000 City Façade loan for the Parking Garage/Retail property, a \$5,000 City Façade Restoration and Improvement Grant for the former Texarkana National Bank building, and a \$5,000 City Façade Restoration and Improvement Grant for the Parking Garage/Retail property, all of which is contingent upon adherence to staff recommendations and terms outlined in Attachment I. The motion was seconded by Phillip Mobley and passed by unanimous vote.

Meeting adjourned at 4:44 p.m.

ATTACHMENT I

Texarkana Renewal Properties EPA & City RLF Application

Staff Recommendations

The developer is proposing a multiple phase approach for the redevelopment of this property that includes removal of the exterior façade and environmental cleanup as phase one. The phase one work will reveal the original brick façade to qualify for historic tax credits. Phase two will include actual construction work for the redevelopment of the property. Due to the complexity and multiple phasing of the development and financing plan, this loan is considered high risk. However, this development is important to the City's continued support of downtown revitalization efforts and the development is located in a federally qualified Opportunity Zone. Furthermore, the developer has a positive track record with other downtown properties. As a result, staff recommends approval with the following terms and conditions:

1. EPA Brownfields Cleanup loans up to \$400,000 for both the formerly Texarkana National Bank building and Parking Garage with a 12-year term. No interest for one year with interest only in years 2 and 3 with principle and interest due years 4-12. Interest rate will be set at the 10-year treasury rate plus 1%.
2. City Façade program loans for \$50,000 for the formerly Texarkana National Bank building and \$50,000 for the Parking Garage each with a 10-year term. No interest for one year with interest only in years 2 and 3 with principle and interest due years 4-10. Interest rate will be set at the 10-year treasury rate plus 1%.
3. City Façade Restoration and Improvement Grants of \$5,000 each for the formerly Texarkana National Bank building and Parking Garage provided the terms, conditions and match requirements of the program are met.
4. Developer will follow all applicable City Building Codes along with all EPA Brownfield Program terms and conditions. Developer will ensure work is protective of human health & the environment including but not limited to adherence to approved EPA cleanup plans, approved EPA closure reports and Davis-Bacon requirements.
5. For the EPA loan, the lender may withhold up to twenty percent (20%) of each payment requested as a retainage until any **EPA Agency or Lender required closure reports are received and approved by the Agency.**
6. Collaterally assign to the City real property located at 5305-5309 N. State Line Ave with a 1st lien position.
7. Developer provide additional letters of financial commitment and an updated proforma after Phase I work is completed and prior to Phase II beginning.

STATE OF TEXAS

COUNTY OF BOWIE

GUARANTY AGREEMENT

FOR VALUE RECEIVED, and in consideration of the City of Texarkana, Texas (hereinafter called LENDER) extending credit to **Texarkana Renewal Properties, LLC.**, hereinafter called BORROWER (whether one or more), this Guaranty is given by the undersigned, hereinafter called GUARANTOR, whether one or more.

1. **Obligation.** GUARANTOR unconditionally, and jointly and severally as principal, guarantees to LENDER and LENDER's successors and assigns, the prompt payment to LENDER at maturity of the following described indebtedness, with all renewals, extensions, modifications, including all obligations related to said indebtedness, described as follows, to-wit:

That certain Promissory Note of even date herewith executed by BORROWER payable to the Order of LENDER in the original principal sum of **Fifty Thousand Dollars and No/100 (\$50,000.00) for property located at 217-223 Pine Street, Texarkana, Texas**, with interest thereon, together with all attorneys' fees, costs, and expenses of collection incurred by LENDER in connection with any matter covered by this guaranty, and all attorneys' fees, costs, and expenses incurred by LENDER in connection with the enforcement of any obligation of any GUARANTOR hereunder.

2. **Term.** The joint and several liability of GUARANTOR shall continue until payment is made of every obligation of BORROWER now due or hereafter to become due relative to the above described indebtedness, and until payment is made of any loss or damage incurred by LENDER with respect to any matter covered by this guaranty.

3. **Consent to LENDER's Acts.** GUARANTOR jointly and severally consents, without affecting any of GUARANTOR'S liability to LENDER hereunder, that LENDER may, without notice to or consent of GUARANTOR, upon such terms as it may deem advisable: (a) extend, in whole or in part, by renewal or otherwise, the time of payment of any indebtedness owing by BORROWER to LENDER, or held by LENDER as security for any such indebtedness; (b) release, surrender, exchange, substitute, modify, impair, or extend the period of duration, or the time for performance or payment, of any collateral securing any indebtedness of BORROWER to LENDER; (c) settle or compromise any claim of LENDER against BORROWER, or against any other person, firm or corporation, whose obligation is held by LENDER as collateral security for any indebtedness of BORROWER to LENDER; and (d) release, in whole or in part, any of GUARANTOR'S or any number of GUARANTORS, or reach any settlement, accommodation, or compromise with any one or more (but less than all) of GUARANTORS. GUARANTOR jointly and severally hereby ratifies and affirms any such extension, renewal, release, surrender, exchange, substitution, modification, impairment, settlement, accommodation, or compromise; and all such actions shall be binding upon GUARANTOR jointly and severally, and

GUARANTOR hereby waives all defenses, counterclaims, or offsets which GUARANTOR jointly and severally might have by reason thereof.

4. **Waiver.** GUARANTOR jointly and severally waives: (a) notice of acceptance of this guaranty by LENDER; (b) presentment, notice of presentment, demand for payment, protest, notice of protest, notice of dishonor, notice of intent to accelerate maturity, and notice of acceleration of maturity, of any of BORROWER indebtedness, and of the obligation of any person, firm or corporation, held by LENDER as collateral security for any of BORROWER's indebtedness; (c) notice of the failure of any person, firm, or corporation to pay to LENDER any indebtedness held by LENDER as collateral security for any indebtedness of BORROWER; (d) notice of the death, or termination of the liability hereunder for future indebtedness, of any of the GUARANTORS; and (e) all defenses, offsets, and counterclaims which GUARANTOR may at any time have to any claim of LENDER against BORROWER.

5. **BORROWER Change or Enforceability.** Should the status of BORROWER change (including, without limitation, by the incorporation of an operation owned by a BORROWER, the dissolution of a corporate BORROWER, the adjudication of mental incapacity of a BORROWER and appointment of a guardian therefor, or any other alteration of status, similar or dissimilar to any such listed example), this GUARANTY shall continue and also cover the indebtedness (then existing or thereafter arising) of the successor to such BORROWER in the new status, according to the terms hereof guaranteeing the indebtedness of the BORROWER. If any or all of the indebtedness cannot, for any reason, be enforced or becomes unenforceable, in whole or in part, against BORROWER (or any one of BORROWER), such fact shall not, in any manner, affect the liability GUARANTOR hereunder, but such liability shall remain and continue as to the entire indebtedness as if it had been fully enforceable against BORROWER.

6. **Representations by GUARANTOR.** GUARANTOR represents that, at the time of the execution and delivery of this guaranty, nothing exists to impair the effectiveness of the liability of GUARANTOR to LENDER hereunder, or to stop this GUARANTY from becoming immediately effective as the sole agreement between GUARANTOR and LENDER with respect to guaranteeing BORROWER's indebtedness to LENDER.

7. **Remedies.** LENDER may at its option proceed in the first instance against GUARANTOR, or if more than one guarantor, jointly and severally, or any one or more of them, to collect any indebtedness covered by this guaranty, without first proceeding against BORROWER; or any other person, firm, or corporation, and without first resorting to any property at any time held by LENDER as collateral security.

8. **Modification.** The whole of this guaranty is herein set forth, and there is no verbal or other written agreement, and no understanding or custom affecting the terms hereof. This guaranty can be modified only by a written instrument signed by the party to be charged therewith.

9. **Benefit.** This guaranty is delivered and made in, and shall be construed pursuant to the laws of, the State of Texas, and is binding upon GUARANTOR and her legal representatives, and shall inure to the benefit of LENDER, its successors and assigns. It is performable in Bowie County, Texas.

IN WITNESS WHEREOF, GUARANTOR has signed this GUARANTY on the 8th day of June, 2020.

David Peavy, Individually

DRAFT

2020-051 ATTH 04

DEED OF TRUST

("Deed of Trust")

Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from this instrument before it is filed for record in the public records: your Social Security number or your driver's license number.

Terms

Date: June 8, 2020

Grantor: Texarkana Renewal Properties, LLC

Grantor's Mailing Address: 105 Olive Street, Apt. G, Texarkana, AR 71854

Trustee: Chief Financial Officer of the City of Texarkana, Bowie County, Texas

Trustee's Mailing Address: P.O. Box 1967, Bowie County, Texarkana, Texas 75504

Lender: City of Texarkana, Bowie County, Texas

Lender's Mailing Address: P.O. Box 1967, Bowie County, Texarkana, Texas 75504

Obligation**Note:**

Date: June 8, 2020

Original Principal Amount: \$50,000.00

Borrower: Texarkana Renewal Properties, LLC.

Lender: City of Texarkana, Bowie County, Texas

Interest: Interest shall accrue at one percent (1%) above the current ten-year treasury rate, which the current rate is 0.73%, making the current interest rate on this loan 1.73%, to be adjusted annually.

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Loan Term and Payment: One hundred-twenty (120) months with no interest for one year, interest only in years 2 and 3, with principle and interest due years 4 – 10.

Property (including any improvements):

Real Property:

1. Real property located at 217-223 Pine Street, Texarkana, Bowie County, Texas (hereinafter sometimes called the "Premises"), as more specifically described in Exhibit "A" attached.

Other Exceptions to Conveyance and Warranty:

For value received and to secure payment of the Obligation, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property, subject to the Other Exceptions to Conveyance and Warranty. On payment of the Obligation and all other amounts secured by this deed of trust, this deed of trust will have no further effect, and Lender will release it at Grantor's expense.

Clauses and Covenants

A. Grantor's Obligations

Grantor agrees to—

1. keep the Property in good repair and condition;
2. pay all taxes and assessments on the Property before delinquency;
3. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;
4. maintain all insurance coverages with respect to the Property, revenues generated by the Property, and operations on the Property that Lender reasonably requires ("Required Insurance Coverages"), issued by insurers and written on policy forms acceptable to Lender, and deliver evidence of the Required Insurance Coverages in a form acceptable to Lender at least ten days before the expiration of the Required Insurance Coverages;
5. obey all laws, ordinances, and restrictive covenants applicable to the Property;

Commented [1]: If there is more than one note, repeat the above information for each additional note and change the word *Notes* in all applicable instances.

Commented [2]: If there is more than one prior lien, repeat the above information for each additional prior lien and change the words *Prior Lien* to *Prior Liens* in all applicable instances.

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6. keep any buildings occupied as required by the Required Insurance Coverages;
7. if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments; and
8. notify Lender of any change of address.

B. Lender's Rights

1. Lender or Lender's mortgage servicer may appoint in writing a substitute trustee, succeeding to all rights and responsibilities of Trustee.
2. If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.
3. Lender may apply any proceeds received under the property insurance policies covering the Property either to reduce the Obligation or to repair or replace damaged or destroyed improvements covered by the policy.
4. Notwithstanding the terms of the Note to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantor with respect to the Obligation or this deed of trust may, at Lender's discretion, be applied first to amounts payable under this deed of trust and then to amounts due and payable to Lender with respect to the Obligation, to be applied to late charges, principal, or interest in the order Lender in its discretion determines.
5. If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.
6. If there is a default on the Obligation or if Grantor fails to perform any of Grantor's obligations and the default continues after any required notice of the default and the time allowed to cure, Lender may—
 - a. declare the unpaid principal balance and earned interest on the Obligation immediately due;

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- b. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and
 - c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.
7. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

C. Trustee's Rights and Duties

If directed by Lender to foreclose this lien, Trustee will—

- 1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;
- 2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;
- 3. from the proceeds of the sale, pay, in this order—
 - a. expenses of foreclosure, including a reasonable commission to Trustee;
 - b. to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
 - c. any amounts required by law to be paid before payment to Grantor; and
 - d. to Grantor, any balance; and
- 4. be indemnified, held harmless, and defended by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

D. General Provisions

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1. If any of the Property is sold under this deed of trust, Grantor must immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any trustee's deed conveying the Property will be presumed to be true.
3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien will remain superior to liens later created even if the time of payment of all or part of the Obligation is extended or part of the Property is released.
5. If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments will be applied first to discharge that portion.
6. Grantor assigns to Lender all amounts payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantor or apply such amounts to reduce the Obligation. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantor will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.
7. Grantor assigns to Lender absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Grantor warrants the validity and enforceability of the assignment. Grantor may as Lender's licensee collect rent and other income and receipts as long as Grantor is not in default with respect to the Obligation or this deed of trust. Grantor will apply all rent and other income and receipts to payment of the Obligation and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due with respect to the Obligation and the deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the Obligation or performance of this deed of trust, Lender may terminate Grantor's license to collect rent and other income and then as Grantor's agent may rent the Property and collect all rent and other income and receipts. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this paragraph without taking possession of the Property. Lender will apply all rent and other income and

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receipts collected under this paragraph first to expenses incurred in exercising Lender's rights and remedies and then to Grantor's obligations with respect to the Obligation and this deed of trust in the order determined by Lender. Lender is not required to act under this paragraph, and acting under this paragraph does not waive any of Lender's other rights or remedies. If Grantor becomes a voluntary or involuntary debtor in bankruptcy, Lender's filing a proof of claim in bankruptcy will be deemed equivalent to the appointment of a receiver under Texas law.

8. Interest on the debt secured by this deed of trust will not exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.
9. In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.
10. If Grantor transfers any part of the Property without Lender's prior written consent, Lender may declare the Obligation immediately payable and invoke any remedies provided in this deed of trust for default.
11. Grantor may not sell, transfer, or otherwise dispose of any Property, whether voluntarily or by operation of law, without the prior written consent of Lender. If granted, consent may be conditioned upon (a) the grantee's integrity, reputation, character, creditworthiness, and management ability being satisfactory to Lender; and (b) the grantee's executing, before such sale, transfer, or other disposition, a written assumption agreement containing any terms Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, a transfer fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Grantor may not cause or permit any Property to be encumbered by any liens, security interests, or encumbrances other than the liens securing the Obligation and the liens securing ad valorem taxes not yet due and payable without the prior written consent of Lender. If granted, consent may be conditioned upon Grantor's

Commented [3]: If a due-on-sale clause is desired, select the following.

Commented [4]: Select the following for a residential trust.

2020-051 ATTH 04

executing, before granting such lien, a written modification agreement containing any terms Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, an approval fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Grantor may not grant any lien, security interest, or other encumbrance (a "Subordinate Instrument") covering the Property that is subordinate to the liens created by this deed of trust without the prior written consent of Lender. If granted, consent may be conditioned upon the Subordinate Instrument's containing express covenants to the effect that—

- (a) the Subordinate Instrument is unconditionally subordinate to this deed of trust;
- (b) if any action is instituted to foreclose or otherwise enforce the Subordinate Instrument, no action may be taken that would terminate any occupancy or tenancy without the prior written consent of Lender, and that consent, if granted, may be conditioned in any manner Lender determines;
- (c) rents, if collected by or for the holder of the Subordinate Instrument, will be applied first to the payment of the Obligation then due and to expenses incurred in the ownership, operation, and maintenance of the Property in any order Lender may determine, before being applied to any indebtedness secured by the Subordinate Instrument;
- (d) written notice of default under the Subordinate Instrument and written notice of the commencement of any action to foreclose or otherwise enforce the Subordinate Instrument must be given to Lender concurrently with or immediately after the occurrence of any such default or commencement; and
- (e) in the event of the bankruptcy of Grantor, all amounts due on or with respect to the Obligation and this deed of trust will be payable in full before any payments on the indebtedness secured by the Subordinate Instrument.

Grantor may not cause or permit any of the following events to occur without the prior written consent of Lender: if Grantor is (a) a corporation, the dissolution of the corporation or the sale, pledge, encumbrance, or assignment of any shares of its stock; (b) a limited liability company, the dissolution of the company or the sale,

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pledge, encumbrance, or assignment of any of its membership interests; (c) a general partnership or joint venture, the dissolution of the partnership or venture or the sale, pledge, encumbrance, or assignment of any of its partnership or joint venture interests, or the withdrawal from or admission into it of any general partner or joint venturer; or (d) a limited partnership, (1) the dissolution of the partnership, (2) the sale, pledge, encumbrance, or assignment of any of its general partnership interests, or the withdrawal from or admission into it of any general partner, (3) the sale, pledge, encumbrance, or assignment of a controlling portion of its limited partnership interests, or (4) the withdrawal from or admission into it of any controlling limited partner or partners. If granted, consent may be conditioned upon (a) the integrity, reputation, character, creditworthiness, and management ability of the person succeeding to the ownership interest in Grantor (or security interest in such ownership) being satisfactory to Lender; and (b) the execution, before such event, by the person succeeding to the interest of Grantor in the Property or ownership interest in Grantor (or security interest in such ownership) of a written modification or assumption agreement containing such terms as Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, a transfer fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Commented [5]: Continue with the following.

12. When the context requires, singular nouns and pronouns include the plural.
13. The term *Note* includes all extensions, modifications, and renewals of the Note and all amounts secured by this deed of trust.
14. This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.
15. If Grantor and Borrower are not the same person, the term *Grantor* includes Borrower.
16. Grantor and each surety, endorser, and guarantor of the Obligation waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.
17. Grantor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.

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18. If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.
19. Grantor represents that this deed of trust and the Note are given for the following purposes to secure the payment and purchase of Property described above.

Texarkana Renewal Properties, LLC
By: David Peavy, Sole Member

State of Texas §
 §
 County of Bowie §

The foregoing document was acknowledged before me, the undersigned authority, by David Peavy by and on behalf of Texarkana Renewal Properties, LLC on this the 8th day of June, 2020.

 Notary Public, State of Texas

 (printed or stamped name)

My commission expires:_____

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Exhibit "A"
Legal Description

Parking Garage Property

Site Address: 217-223 Pine Street, Texarkana, TX

Bowie County Texas Assessor's Office: PIDN: 7937; Long Account Number
03840009300

Property Description: CITY/TRIGGS ADDN LOTS 1 & 2, 2020-1370 02/10/20,
BLK/TRACT 21, 0.32 ACRES

OTHER PROPERTY TAKEN AS COLLATERAL

Attachment: 2020-051 ATTH 04 Tex Ren Prop Facade Loan DOT 217-223 Pine jt rvsdcleanfinal (2270 : 2020-051 RES Auth CM to enter into loan

PROMISSORY NOTE**("Promissory Note")****\$50,000.00****June 8, 2020**

Texarkana, Bowie County, Texas

WHEREAS, Texarkana Renewal Properties, LLC of the County of Bowie, Texas, hereinafter called Borrower, desires to borrow the principal sum of **Fifty Thousand Dollars and No/100 (\$50,000.00)** for property located at **217-223 Pine Street**, Texarkana, Texas, from the City of Texarkana, Texas ("City"), as provided in this Note; and

WHEREAS, Borrower is not in default on any Notes to the City; and

WHEREAS, City is willing to lend the funds as approved by Council in Resolution 2020-051;

NOW THEREFORE, FOR VALUE RECEIVED, the undersigned (and each of the undersigned), as principals, unconditionally and jointly and severally promise to pay to the order of the **City of Texarkana, Texas**, with an address of P.O. Box 1967, Texarkana, Texas 75505 at payee's office in the City of Texarkana, Bowie County, Texas, the principal sum of Fifty Thousand Dollars and No/100 (\$50,000.00), in legal and lawful money of the United States of America, together with interest (on the principal balance outstanding hereunder from time to time) as provided herein, payable as provided herein. All payments hereon shall be credited first to interest and then to principal; and any prepayments of principal shall first be applied to reduce the payments scheduled to be paid latest.

Interest shall accrue at one percent (1%) above the current ten-year treasury rate, which the current rate is 0.73%, making the current interest rate on this loan 1.73%, to be adjusted annually. Notwithstanding any payments otherwise scheduled or made hereon, the balance of principal and interest on this indebtedness shall be finally due and payable on or before one hundred-twenty (120) months following thirty days from the date of execution (the "Loan Term"). Payments shall be made as follows: No interest shall be due and payable in the first year of the Loan Term. Payment of accrued interest only shall be made annually in years two (2) and three (3) of the Loan Term, with payment due and payable on the anniversary date of each year. Thereafter, payments of principal and interest calculated over a 7 year amortization schedule shall be due in years four (4) – ten (10) with an annual payment of Seven Thousand Six Hundred and Forty-Two Dollars and 66/100 (\$7,642.66) due and payable on the anniversary date of each said year, save and except the last payment shall include any remaining principal and interest outstanding.

If not paid when due or declared due, matured and unpaid interest and principal (including as principal all additional amounts payable to the owner hereof as expenses or advancements agreed to be paid hereunder or under any agreement or instrument securing, guaranteeing or supplementing this Note) shall bear interest from the date of maturity until paid at the maximum rate allowed by law.

It is expressly provided that upon default in the punctual payment of this Note or any part thereof, principal or interest, as the same shall become due and payable, or default or breach by any maker hereof of any obligation of such maker to the owner hereof, or failure to perform any terms of any instrument

securing, guaranteeing, or supplementing this Note, this Note and the entire indebtedness secured or guaranteed by any such instrument, exclusive of unearned interest, shall be matured, at the option of the owner, without demand or notice. If at any time, in the sole opinion of the owner hereof, the financial responsibility of any maker, surety, guarantor, or endorser, or the prospect for payment, of this Note or the collateral securing this Note, shall become impaired or unsatisfactory to the owner hereof, this Note and all other obligations of such maker, guarantor, or endorser, exclusive of unearned interest shall become immediately due and payable at the owner's option, without demand or notice. Further, in the event this Note or Collateral is transferred or assigned without the consent of Lender, Borrower shall be in default. In the event default is made in the prompt payment of this Note or such indebtedness when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through Probate, or other judicial proceeding, then the makers, sureties, guarantors, and endorsers agree and promise to pay reasonable attorneys' fees for collection. Each of the undersigned additionally agrees and promises to pay all costs of collection hereof and of realization upon (or protection of) any security herefor, together with any interest thereon as provided herein from the time expended by the owner hereof. **THIS NOTE SHALL BE GOVERNED BY THE LAWS IN EFFECT IN THE STATE OF TEXAS, INCLUDING ANY APPLICABLE FEDERAL LAW.**

Each party liable on this Note, whether primarily or secondarily liable, including, without limitation, each maker, surety, guarantor, accommodation party, and endorser of this Note, expressly waives all notices, demands for payment, presentations for payment, notices of intention to accelerate the maturity, protests and notices of protest, notice of nonpayment, and diligence in collecting this Note, filing of suit, and enforcing any of the security herefor, as to this Note and as to each, every, and all installments hereof; agrees that any and all extensions, and changes in the time for payment, hereof may be granted to any of the above parties without notice to the others; consents, without notice, to extensions of time, renewals, release of any party liable hereon, releases of collateral and indulgences extended by any owner hereof; and agrees that it will not be necessary for any owner hereof, in order to enforce any liability hereon, to first institute suit or exhaust its remedies against any party liable hereon, or to enforce its rights against any security herefor, and that no extension, renewal, substitution, exchange, or release of collateral, or indulgence shall discharge, release, or reduce any liability of any party hereon. No delay by the owner hereof in exercising any right hereunder, or under any instrument securing, guaranteeing, or supplementing this Note, shall be construed as a waiver of any such right; and such right may be exercised at any subsequent time during default.

Notwithstanding anything to the contrary, all agreements between any party liable on this Note and any owner or holder hereof are expressly limited and modified so that in no event or contingency whatsoever shall the amount paid, agreed to be paid, or charged for the use, forbearance, or detention of money, ever exceed the maximum amount permissible under applicable law. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected is interpreted so that any charge provided for in this Note, in any instrument securing, guaranteeing, or supplementing this Note, or in any other indebtedness of any maker hereof payable to the owner hereof, whether considered separately or together with other charges that are considered a part of this transaction, violates such law by reason of the acceleration of any indebtedness, or for any other reason, such charge is hereby reduced to the extent necessary to eliminate any such violation. Any amounts of such interest or other charges previously paid to the owner hereof in excess of the amounts permitted by applicable law shall be applied by the owner to reduce the principal of the indebtedness evidenced by this Note, or, at the owner's option, be refunded.

Payment hereof is secured by a Deed of Trust on the real property located at 217-223 Pine Street, Texarkana, Bowie County, Texas, and such other collateral as set forth in the Deed of Trust, as well as a personal guaranty.

The following Notice is provided pursuant to Section 26.02 of the Texas Business & Commerce Code, regarding the "Loan Agreement" which is defined as all of the loan documents, including this promissory note and documents guaranteeing or securing the note:

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

THIS LOAN IS PAYABLE IN FULL ON OR BEFORE THE FIRST DAY OF THE 120TH MONTH FOLLOWING 30 DAYS AFTER THE EXECUTION OF THIS NOTE BY ALL PARTIES. AT MATURITY, YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER WILLING TO LEND YOU THE MONEY. IF YOU REFINANCE THIS LOAN AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN.

IN WITNESS WHEREOF, this Note has been signed and delivered to the payee herein on the date first written above.

Texarkana Renewal Properties, LLC, Inc.
By: David Peavy, Sole Member

2020-051 ATTH 06

DEED OF TRUST**("Deed of Trust")**

Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from this instrument before it is filed for record in the public records: your Social Security number or your driver's license number.

Terms

Date: June 8, 2020

Grantor: Texarkana Renewal Properties, LLC

Grantor's Mailing Address: 105 Olive Street, Apt. G, Texarkana, AR 71854

Trustee: Chief Financial Officer of the City of Texarkana, Bowie County, Texas

Trustee's Mailing Address: P.O. Box 1967, Bowie County, Texarkana, Texas 75504

Lender: City of Texarkana, Bowie County, Texas

Lender's Mailing Address: P.O. Box 1967, Bowie County, Texarkana, Texas 75504

Obligation**Note:**

Date: June 8, 2020

Original Principal Amount: \$50,000.00

Borrower: Texarkana Renewal Properties, LLC.

Lender: City of Texarkana, Bowie County, Texas

Maturity Date: One hundred-twenty (120) months with no interest for one year, interest only in years 2 and 3, with principle and interest due years 4 – 10.

Commented [1]: If there is more than one note, repeat the information for each additional note and change the word *Notes* in all applicable instances.

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Property (including any improvements):**Real Property:**

Real property located at 100 West Broad Street, Texarkana, Bowie County, Texas (hereinafter sometimes called the "Premises"), as more specifically described in Exhibit "A" attached.

Other Exceptions to Conveyance and Warranty:

For value received and to secure payment of the Obligation, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property, subject to the Other Exceptions to Conveyance and Warranty. On payment of the Obligation and all other amounts secured by this deed of trust, this deed of trust will have no further effect, and Lender will release it at Grantor's expense.

Commented [2]: If there is more than one prior lien, reword above information for each additional prior lien and change words *Prior Lien* to *Prior Liens* in all applicable instances.

Clauses and Covenants**A. Grantor's Obligations**

Grantor agrees to—

1. keep the Property in good repair and condition;
2. pay all taxes and assessments on the Property before delinquency;
3. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;
4. maintain all insurance coverages with respect to the Property, revenues generated by the Property, and operations on the Property that Lender reasonably requires ("Required Insurance Coverages"), issued by insurers and written on policy forms acceptable to Lender, and deliver evidence of the Required Insurance Coverages in a form acceptable to Lender at least ten days before the expiration of the Required Insurance Coverages;
5. obey all laws, ordinances, and restrictive covenants applicable to the Property;
6. keep any buildings occupied as required by the Required Insurance Coverages;
7. if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments; and

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8. notify Lender of any change of address.

B. Lender's Rights

1. Lender or Lender's mortgage servicer may appoint in writing a substitute trustee, succeeding to all rights and responsibilities of Trustee.
2. If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.
3. Lender may apply any proceeds received under the property insurance policies covering the Property either to reduce the Obligation or to repair or replace damaged or destroyed improvements covered by the policy.
4. Notwithstanding the terms of the Note to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantor with respect to the Obligation or this deed of trust may, at Lender's discretion, be applied first to amounts payable under this deed of trust and then to amounts due and payable to Lender with respect to the Obligation, to be applied to late charges, principal, or interest in the order Lender in its discretion determines.
5. If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.
6. If there is a default on the Obligation or if Grantor fails to perform any of Grantor's obligations and the default continues after any required notice of the default and the time allowed to cure, Lender may—
 - a. declare the unpaid principal balance and earned interest on the Obligation immediately due;
 - b. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and
 - c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.

2020-051 ATTH 06

7. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

C. Trustee's Rights and Duties

If directed by Lender to foreclose this lien, Trustee will—

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;
2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;
3. from the proceeds of the sale, pay, in this order—
 - a. expenses of foreclosure, including a reasonable commission to Trustee;
 - b. to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
 - c. any amounts required by law to be paid before payment to Grantor; and
 - d. to Grantor, any balance; and
4. be indemnified, held harmless, and defended by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

D. General Provisions

1. If any of the Property is sold under this deed of trust, Grantor must immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any trustee's deed conveying the Property will be presumed to be true.

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3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien will remain superior to liens later created even if the time of payment of all or part of the Obligation is extended or part of the Property is released.
5. If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments will be applied first to discharge that portion.
6. Grantor assigns to Lender all amounts payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantor or apply such amounts to reduce the Obligation. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantor will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.
7. Grantor assigns to Lender absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Grantor warrants the validity and enforceability of the assignment. Grantor may as Lender's licensee collect rent and other income and receipts as long as Grantor is not in default with respect to the Obligation or this deed of trust. Grantor will apply all rent and other income and receipts to payment of the Obligation and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due with respect to the Obligation and the deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the Obligation or performance of this deed of trust, Lender may terminate Grantor's license to collect rent and other income and then as Grantor's agent may rent the Property and collect all rent and other income and receipts. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this paragraph without taking possession of the Property. Lender will apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Lender's rights and remedies and then to Grantor's obligations with respect to the Obligation and this deed of trust in the order determined by Lender. Lender is not required to act under this paragraph, and acting under this paragraph does not waive any of Lender's other rights or remedies. If Grantor becomes a voluntary or involuntary debtor in bankruptcy, Lender's filing a proof of claim in bankruptcy will be deemed equivalent to the appointment of a receiver under Texas law.

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8. Interest on the debt secured by this deed of trust will not exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.
9. In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.
10. If Grantor transfers any part of the Property without Lender's prior written consent, Lender may declare the Obligation immediately payable and invoke any remedies provided in this deed of trust for default.
11. Grantor may not sell, transfer, or otherwise dispose of any Property, whether voluntarily or by operation of law, without the prior written consent of Lender. If granted, consent may be conditioned upon (a) the grantee's integrity, reputation, character, creditworthiness, and management ability being satisfactory to Lender; and (b) the grantee's executing, before such sale, transfer, or other disposition, a written assumption agreement containing any terms Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, a transfer fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Grantor may not cause or permit any Property to be encumbered by any liens, security interests, or encumbrances other than the liens securing the Obligation and the liens securing ad valorem taxes not yet due and payable without the prior written consent of Lender. If granted, consent may be conditioned upon Grantor's executing, before granting such lien, a written modification agreement containing any terms Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, an approval fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Commented [3]: If a due-on-sale clause is desired, select the following.

Commented [4]: Select the following for a residential trust.

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Grantor may not grant any lien, security interest, or other encumbrance (a "Subordinate Instrument") covering the Property that is subordinate to the liens created by this deed of trust without the prior written consent of Lender. If granted, consent may be conditioned upon the Subordinate Instrument's containing express covenants to the effect that—

- (a) the Subordinate Instrument is unconditionally subordinate to this deed of trust;
- (b) if any action is instituted to foreclose or otherwise enforce the Subordinate Instrument, no action may be taken that would terminate any occupancy or tenancy without the prior written consent of Lender, and that consent, if granted, may be conditioned in any manner Lender determines;
- (c) rents, if collected by or for the holder of the Subordinate Instrument, will be applied first to the payment of the Obligation then due and to expenses incurred in the ownership, operation, and maintenance of the Property in any order Lender may determine, before being applied to any indebtedness secured by the Subordinate Instrument;
- (d) written notice of default under the Subordinate Instrument and written notice of the commencement of any action to foreclose or otherwise enforce the Subordinate Instrument must be given to Lender concurrently with or immediately after the occurrence of any such default or commencement; and
- (e) in the event of the bankruptcy of Grantor, all amounts due on or with respect to the Obligation and this deed of trust will be payable in full before any payments on the indebtedness secured by the Subordinate Instrument.

Grantor may not cause or permit any of the following events to occur without the prior written consent of Lender: if Grantor is (a) a corporation, the dissolution of the corporation or the sale, pledge, encumbrance, or assignment of any shares of its stock; (b) a limited liability company, the dissolution of the company or the sale, pledge, encumbrance, or assignment of any of its membership interests; (c) a general partnership or joint venture, the dissolution of the partnership or venture or the sale, pledge, encumbrance, or assignment of any of its partnership or joint venture interests, or the withdrawal from or admission into it of any general partner or joint venturer; or (d) a limited partnership, (1) the dissolution of the partnership, (2) the sale, pledge, encumbrance, or assignment of any of its general

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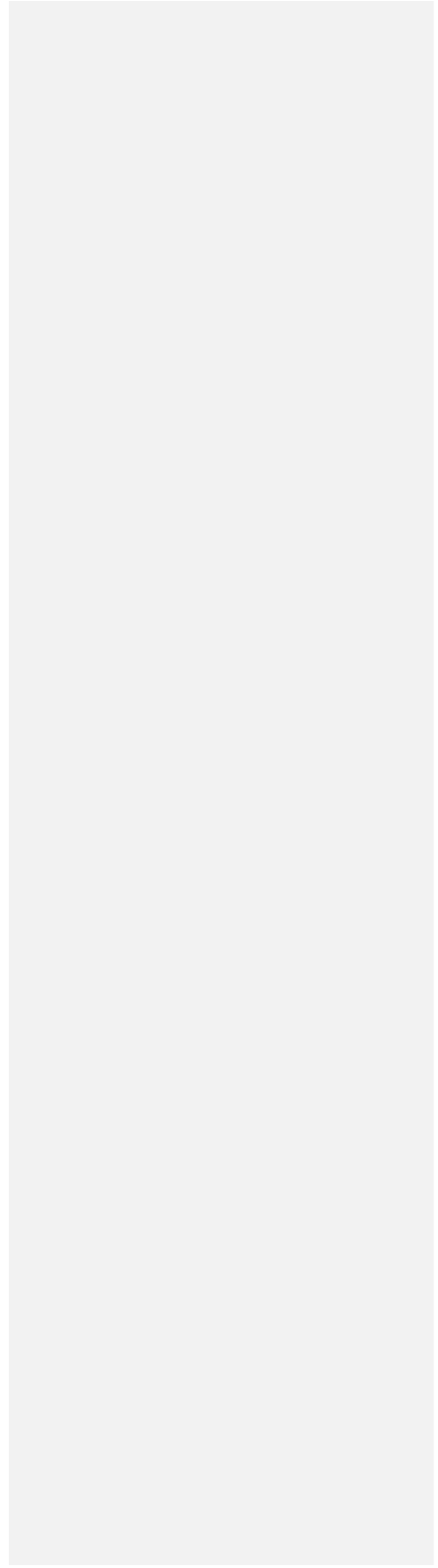
partnership interests, or the withdrawal from or admission into it of any general partner, (3) the sale, pledge, encumbrance, or assignment of a controlling portion of its limited partnership interests, or (4) the withdrawal from or admission into it of any controlling limited partner or partners. If granted, consent may be conditioned upon (a) the integrity, reputation, character, creditworthiness, and management ability of the person succeeding to the ownership interest in Grantor (or security interest in such ownership) being satisfactory to Lender; and (b) the execution, before such event, by the person succeeding to the interest of Grantor in the Property or ownership interest in Grantor (or security interest in such ownership) of a written modification or assumption agreement containing such terms as Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, a transfer fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Commented [5]: Continue with the following.

12. When the context requires, singular nouns and pronouns include the plural.
13. The term *Note* includes all extensions, modifications, and renewals of the Note and all amounts secured by this deed of trust.
14. This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.
15. If Grantor and Borrower are not the same person, the term *Grantor* includes Borrower.
16. Grantor and each surety, endorser, and guarantor of the Obligation waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.
17. Grantor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.
18. If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.
19. Grantor represents that this deed of trust and the Note are given for the following purposes to secure the payment and purchase of Property described above.

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Attachment: 2020-051 ATTH 06 Tex Ren Prop Facade Loan DOT100 W Broadfinal (2270 : 2020-051 RES Auth CM to enter into loan agrmnts for

2020-051 ATTH 06

Texarkana Renewal Properties, LLC
By: David Peavy, Sole Member

State of Texas §
 §
 County of Bowie §

The foregoing document was acknowledged before me, the undersigned authority, by David Peavy by and on behalf of Texarkana Renewal Properties, LLC on this the 8th day of June, 2020.

 Notary Public, State of Texas

 (printed or stamped name)

My commission expires:_____

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Exhibit "A"
Legal Description

Texarkana National Bank Building

Site Address: 100 W. Broad Street, Texarkana, TX

Bowie County Texas Assessor's Office: PIDN: 7939; Long Account Number
03840009700

Property Description: CITY/TRIGGS ADDN LOTS 4-6, 2020-1368 02/10/20, BLK/TRACT
21, 0.22 ACRES

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Attachment: 2020-051 ATTH 06 Tex Ren Prop Facade Loan DOT100 W Broadfinal (2270 : 2020-051 RES Auth CM to enter into loan agrmnts for

PROMISSORY NOTE**("Promissory Note")****\$50,000.00****June 8, 2020**

Texarkana, Bowie County, Texas

WHEREAS, Texarkana Renewal Properties, LLC of the County of Bowie, Texas, hereinafter called Borrower, desires to borrow the principal sum of **Fifty Thousand Dollars and No/100 (\$50,000.00)** for property located at **100 West Broad Street**, Texarkana, Texas, from the City of Texarkana, Texas ("City"), as provided in this Note; and

WHEREAS, Borrower is not in default on any Notes to the City; and

WHEREAS, City is willing to lend the funds as approved by Council in Resolution 2020-051;

NOW THEREFORE, FOR VALUE RECEIVED, the undersigned (and each of the undersigned), as principals, unconditionally and jointly and severally promise to pay to the order of the **City of Texarkana, Texas**, with an address of P.O. Box 1967, Texarkana, Texas 75505 at payee's office in the City of Texarkana, Bowie County, Texas, the principal sum of Fifty Thousand Dollars and No/100 (\$50,000.00), in legal and lawful money of the United States of America, together with interest (on the principal balance outstanding hereunder from time to time) as provided herein, payable as provided herein. All payments hereon shall be credited first to interest and then to principal; and any prepayments of principal shall first be applied to reduce the payments scheduled to be paid latest.

Interest shall accrue at one percent (1%) above the current ten-year treasury rate, which the current rate is 0.73%, making the current interest rate on this loan 1.73%, to be adjusted annually. Notwithstanding any payments otherwise scheduled or made hereon, the balance of principal and interest on this indebtedness shall be finally due and payable on or before one hundred-twenty (120) months following thirty days from the date of execution (the "Loan Term"). Payments shall be made as follows: No interest shall be due and payable in the first year of the Loan Term. Payment of accrued interest only shall be made annually in years two (2) and three (3) of the Loan Term, with payment due and payable on the anniversary date of each year. Thereafter, payments of principal and interest calculated over a 7 year amortization schedule shall be due in years four (4) – ten (10) with an annual payment of Seven Thousand Six Hundred and Forty-Two Dollars and 66/100 (\$7,642.66) due and payable on the anniversary date of each said year, save and except the last payment shall include any remaining principal and interest outstanding.

If not paid when due or declared due, matured and unpaid interest and principal (including as principal all additional amounts payable to the owner hereof as expenses or advancements agreed to be paid hereunder or under any agreement or instrument securing, guaranteeing or supplementing this Note) shall bear interest from the date of maturity until paid at the maximum rate allowed by law.

It is expressly provided that upon default in the punctual payment of this Note or any part thereof, principal or interest, as the same shall become due and payable, or default or breach by any maker hereof

of any obligation of such maker to the owner hereof, or failure to perform any terms of any instrument securing, guaranteeing, or supplementing this Note, this Note and the entire indebtedness secured or guaranteed by any such instrument, exclusive of unearned interest, shall be matured, at the option of the owner, without demand or notice. If at any time, in the sole opinion of the owner hereof, the financial responsibility of any maker, surety, guarantor, or endorser, or the prospect for payment, of this Note or the collateral securing this Note, shall become impaired or unsatisfactory to the owner hereof, this Note and all other obligations of such maker, guarantor, or endorser, exclusive of unearned interest shall become immediately due and payable at the owner's option, without demand or notice. Further, in the event this Note or Collateral is transferred or assigned without the consent of Lender, Borrower shall be in default. In the event default is made in the prompt payment of this Note or such indebtedness when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through Probate, or other judicial proceeding, then the makers, sureties, guarantors, and endorsers agree and promise to pay reasonable attorneys' fees for collection. Each of the undersigned additionally agrees and promises to pay all costs of collection hereof and of realization upon (or protection of) any security herefor, together with any interest thereon as provided herein from the time expended by the owner hereof. **THIS NOTE SHALL BE GOVERNED BY THE LAWS IN EFFECT IN THE STATE OF TEXAS, INCLUDING ANY APPLICABLE FEDERAL LAW.**

Each party liable on this Note, whether primarily or secondarily liable, including, without limitation, each maker, surety, guarantor, accommodation party, and endorser of this Note, expressly waives all notices, demands for payment, presentations for payment, notices of intention to accelerate the maturity, protests and notices of protest, notice of nonpayment, and diligence in collecting this Note, filing of suit, and enforcing any of the security herefor, as to this Note and as to each, every, and all installments hereof; agrees that any and all extensions, and changes in the time for payment, hereof may be granted to any of the above parties without notice to the others; consents, without notice, to extensions of time, renewals, release of any party liable hereon, releases of collateral and indulgences extended by any owner hereof; and agrees that it will not be necessary for any owner hereof, in order to enforce any liability hereon, to first institute suit or exhaust its remedies against any party liable hereon, or to enforce its rights against any security herefor, and that no extension, renewal, substitution, exchange, or release of collateral, or indulgence shall discharge, release, or reduce any liability of any party hereon. No delay by the owner hereof in exercising any right hereunder, or under any instrument securing, guaranteeing, or supplementing this Note, shall be construed as a waiver of any such right; and such right may be exercised at any subsequent time during default.

Notwithstanding anything to the contrary, all agreements between any party liable on this Note and any owner or holder hereof are expressly limited and modified so that in no event or contingency whatsoever shall the amount paid, agreed to be paid, or charged for the use, forbearance, or detention of money, ever exceed the maximum amount permissible under applicable law. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected is interpreted so that any charge provided for in this Note, in any instrument securing, guaranteeing, or supplementing this Note, or in any other indebtedness of any maker hereof payable to the owner hereof, whether considered separately or together with other charges that are considered a part of this transaction, violates such law by reason of the acceleration of any indebtedness, or for any other reason, such charge is hereby reduced to the extent necessary to eliminate any such violation. Any amounts of such interest or other charges previously paid to the owner hereof in excess of the amounts permitted by applicable law shall be applied by the owner to reduce the principal of the indebtedness evidenced by this Note, or, at the owner's option, be refunded.

Payment hereof is secured by a Deed of Trust on the real property located at 1304 Texas Blvd, Texarkana, Bowie County, Texas.

The following Notice is provided pursuant to Section 26.02 of the Texas Business & Commerce Code, regarding the "Loan Agreement" which is defined as all of the loan documents, including this promissory note and documents guaranteeing or securing the note:

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

THIS LOAN IS PAYABLE IN FULL ON OR BEFORE THE FIRST DAY OF THE 120TH MONTH FOLLOWING 30 DAYS AFTER THE EXECUTION OF THIS NOTE BY ALL PARTIES. AT MATURITY, YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER WILLING TO LEND YOU THE MONEY. IF YOU REFINANCE THIS LOAN AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN.

IN WITNESS WHEREOF, this Note has been signed and delivered to the payee herein on the date first written above.

Texarkana Renewal Properties, LLC, Inc.
By: David Peavy, Sole Member

STATE OF TEXAS

COUNTY OF BOWIE

GUARANTY AGREEMENT

FOR VALUE RECEIVED, and in consideration of the City of Texarkana, Texas (hereinafter called LENDER) extending credit to **Texarkana Renewal Properties, LLC.**, hereinafter called BORROWER (whether one or more), this Guaranty is given by the undersigned, hereinafter called GUARANTOR, whether one or more.

1. **Obligation.** GUARANTOR unconditionally, and jointly and severally as principal, guarantees to LENDER and LENDER's successors and assigns, the prompt payment to LENDER at maturity of the following described indebtedness, with all renewals, extensions, modifications, including all obligations related to said indebtedness, described as follows, to-wit:

That certain Promissory Note of even date herewith executed by BORROWER payable to the Order of LENDER in the original principal sum of **Fifty Thousand Dollars and No/100 (\$50,000.00) for property located at 100 West Broad Street, Texarkana, Texas**, with interest thereon, together with all attorneys' fees, costs, and expenses of collection incurred by LENDER in connection with any matter covered by this guaranty, and all attorneys' fees, costs, and expenses incurred by LENDER in connection with the enforcement of any obligation of any GUARANTOR hereunder.

2. **Term.** The joint and several liability of GUARANTOR shall continue until payment is made of every obligation of BORROWER now due or hereafter to become due relative to the above described indebtedness, and until payment is made of any loss or damage incurred by LENDER with respect to any matter covered by this guaranty.

3. **Consent to LENDER's Acts.** GUARANTOR jointly and severally consents, without affecting any of GUARANTOR'S liability to LENDER hereunder, that LENDER may, without notice to or consent of GUARANTOR, upon such terms as it may deem advisable: (a) extend, in whole or in part, by renewal or otherwise, the time of payment of any indebtedness owing by BORROWER to LENDER, or held by LENDER as security for any such indebtedness; (b) release, surrender, exchange, substitute, modify, impair, or extend the period of duration, or the time for performance or payment, of any collateral securing any indebtedness of BORROWER to LENDER; (c) settle or compromise any claim of LENDER against BORROWER, or against any other person, firm or corporation, whose obligation is held by LENDER as collateral security for any indebtedness of BORROWER to LENDER; and (d) release, in whole or in part, any of GUARANTOR'S or any number of GUARANTORS, or reach any settlement, accommodation, or compromise with any one or more (but less than all) of GUARANTORS. GUARANTOR jointly and severally hereby ratifies and affirms any such extension, renewal, release, surrender, exchange, substitution, modification, impairment, settlement, accommodation, or compromise; and all such actions shall be binding upon GUARANTOR jointly and severally, and

GUARANTOR hereby waives all defenses, counterclaims, or offsets which GUARANTOR jointly and severally might have by reason thereof.

4. **Waiver.** GUARANTOR jointly and severally waives: (a) notice of acceptance of this guaranty by LENDER; (b) presentment, notice of presentment, demand for payment, protest, notice of protest, notice of dishonor, notice of intent to accelerate maturity, and notice of acceleration of maturity, of any of BORROWER indebtedness, and of the obligation of any person, firm or corporation, held by LENDER as collateral security for any of BORROWER's indebtedness; (c) notice of the failure of any person, firm, or corporation to pay to LENDER any indebtedness held by LENDER as collateral security for any indebtedness of BORROWER; (d) notice of the death, or termination of the liability hereunder for future indebtedness, of any of the GUARANTORS; and (e) all defenses, offsets, and counterclaims which GUARANTOR may at any time have to any claim of LENDER against BORROWER.

5. **BORROWER Change or Enforceability.** Should the status of BORROWER change (including, without limitation, by the incorporation of an operation owned by a BORROWER, the dissolution of a corporate BORROWER, the adjudication of mental incapacity of a BORROWER and appointment of a guardian therefor, or any other alteration of status, similar or dissimilar to any such listed example), this GUARANTY shall continue and also cover the indebtedness (then existing or thereafter arising) of the successor to such BORROWER in the new status, according to the terms hereof guaranteeing the indebtedness of the BORROWER. If any or all of the indebtedness cannot, for any reason, be enforced or becomes unenforceable, in whole or in part, against BORROWER (or any one of BORROWER), such fact shall not, in any manner, affect the liability GUARANTOR hereunder, but such liability shall remain and continue as to the entire indebtedness as if it had been fully enforceable against BORROWER.

6. **Representations by GUARANTOR.** GUARANTOR represents that, at the time of the execution and delivery of this guaranty, nothing exists to impair the effectiveness of the liability of GUARANTOR to LENDER hereunder, or to stop this GUARANTY from becoming immediately effective as the sole agreement between GUARANTOR and LENDER with respect to guaranteeing BORROWER's indebtedness to LENDER.

7. **Remedies.** LENDER may at its option proceed in the first instance against GUARANTOR, or if more than one guarantor, jointly and severally, or any one or more of them, to collect any indebtedness covered by this guaranty, without first proceeding against BORROWER; or any other person, firm, or corporation, and without first resorting to any property at any time held by LENDER as collateral security.

8. **Modification.** The whole of this guaranty is herein set forth, and there is no verbal or other written agreement, and no understanding or custom affecting the terms hereof. This guaranty can be modified only by a written instrument signed by the party to be charged therewith.

9. **Benefit.** This guaranty is delivered and made in, and shall be construed pursuant to the laws of, the State of Texas, and is binding upon GUARANTOR and her legal representatives, and shall inure to the benefit of LENDER, its successors and assigns. It is performable in Bowie County, Texas.

IN WITNESS WHEREOF, GUARANTOR has signed this GUARANTY on the 8th day of June, 2020.

David Peavy, Individually

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**BROWNFIELD REVOLVING LOAN FUND
LOAN AGREEMENT
BETWEEN THE CITY OF TEXARKANA AND
TEXARKANA RENEWAL PROPERTIES, LLC**

I. PARTIES

THIS AGREEMENT is made and entered into on _____ (LOAN AGREEMENT DATE), by and between Texarkana Renewal Properties, LLC, hereinafter referred to as the "BORROWER," and the City of Texarkana, Texas, hereinafter referred to as "LENDER."

II. DEFINITIONS

Property – Real property located in the City of Texarkana, Texas at 100 W. Broad Street, Texarkana, Bowie County, Texas, the "Former Texarkana National Bank" building and site containing .22 acres more or less, and at 217 – 219 Pine Street, Texarkana, Bowie County, Texas, the former Parking Garage containing .32 acres more or less, both as more specifically set forth in Attachment A, and owned by the Borrower. (The "Former Texarkana National Bank" and "Parking Garage" are collectively referred to herein as the "Properties.")

Project– The remediation of petroleum products and/or hazardous substances, including petroleum and metal contaminants in soil, and asbestos and lead based paint in the buildings, from the Properties in accordance with the selected Cleanup Plan.

Cleanup Plan - Voluntary Cleanup Program Response Action Plan (RAP), Corrective Action Plan (CAP), or another LENDER and Agency approved cleanup plan.

Borrower – Texarkana Renewal Properties, LLC, 105 Olive Street, Apt G, Texarkana, AR 71854.

Agency–The Texas Commission of Environmental Quality (TCEQ) Voluntary Cleanup Program (VCP), the Texas Department of State Health Services, or other State or Federal Agency providing remediation oversight in cooperation with the City of Texarkana.

Contractor – The general contractor for remediation or other contractors hired by the Borrower through a competitive bid process approved by the Lender and EPA.

Consultant – The environmental consultant hired by the Lender.

CERCLA– Comprehensive, Environmental Response Compensation and Liability Act, Brownfields Revitalization Act (CERCLA 42 U.S.C. § 9601–9675).

BRLF– The City of Texarkana Brownfields Revolving Loan Fund (per Cooperative Agreement No BF00F-62501 between the City of Texarkana and the United State Environmental Protection Agency (USEPA)).

Eligible Expenses – Expenses paid or incurred by the Borrower to complete the Project, but only to the extent such expenses are deemed eligible for reimbursement/disbursement from the Revolving Loan Fund under applicable EPA guidance, agreements, rules, and regulations. Eligible Expenses are discussed in Attachment B and Attachment G.

ABCA – Analysis of Brownfields Cleanup Alternatives

QAPP – Quality Assurance Project Plan

III. REPRESENTATIONS AND WARRANTIES

WHEREAS, the LENDER is the recipient of a USEPA grant to establish a Brownfields Revolving Loan Fund (BRLF) and is authorized to make certain loans from these funds (Loan Fund) pursuant to the Small Business Liability Relief and Brownfields Revitalization Act, Section 104(k) of CERCLA, 42 U.S.C. 9604(k), and as a condition of awarding the Grants, the USEPA has placed requirements on the use of the Grants as documented in Cooperative Agreement numbered BF00F-62501; and

WHEREAS, the LENDER is responsible for the proper expenditure of loan funds; and

WHEREAS, BRLF funds are to be used to undertake cleanup of Brownfields sites by making loans to parties willing to undertake cleanup of these sites; and

WHEREAS, the BORROWER will own during the life of this agreement by way of fee simple title to certain real property located in Texarkana, Texas (the Properties), which Properties are more particularly described in Attachment A, attached hereto; and

WHEREAS, the Properties are contaminated with petroleum and/or hazardous substances, including asbestos and lead based paint, as defined by CERCLA; and

WHEREAS, Borrower shall retain the services of a general contractor (Contractor) to perform or subcontract all work to be performed under this Agreement (the "Work"); and

WHEREAS, Borrower shall further retain the services of a qualified Environmental Consultant that shall be on site daily to oversee the work, ensure all Work is in compliance with this Agreement and any applicable laws or requirements, and report to the City's Environmental Consultant as required in this Agreement; and

WHEREAS, the Properties are not listed, or proposed for listing on the National Priorities List of the EPA; are not subject to a unilateral administrative order, a court order, an administrative order on consent or judicial consent decree issues or entered into by parties under CERCLA; is not subject to jurisdiction, custody, or control by the United States government; and

WHEREAS, LENDER has determined in accordance with relevant USEPA grant requirements that the BORROWER is not potentially liable under section 107 of CERCLA for response costs on the site and that the BORROWER has not caused, contributed to, permitted or exacerbated the release of hazardous substances, pollutants or contaminants on, or emanating from the Properties, and continues to meet its continuing obligations and exercise appropriate care with respect to hazardous substances found at the Properties;

WHEREAS, EPA has determined that the Properties are eligible for BRLF funds; and,

WHEREAS, the BORROWER is not and has never been subject to any penalties resulting from environmental non-compliance at or on the Properties nor is the BORROWER, or its Project contractors or subcontractors currently suspended, debarred, or otherwise declared ineligible for participation in this Federal program or from the receipt of these funds.

IV. CERTIFICATIONS

NOW THEREFORE, in consideration of the covenants and promises contained herein, it is mutually agreed by and between the parties as follows:

1. The BORROWER agrees to carry out the Project and shall use Loan Funds only for eligible activities in accordance with all applicable state, local and federal laws, regulations, orders,

Contract No: _____
Properties, LLC

DRAFT 05/19/2020 Texarkana Renewal

writs, judgments, injunctions, decrees or awards, including but not limited to the following, CERCLA § 104 (k); the Uniform Administrative Requirements of Grants and Cooperative Agreements to States and Local Governments (40 CFR Part 31); all applicable cross-cutting requirements, including those federal requirements agreed between the USEPA and the City defined by the Cooperative Agreement Number (B F-00E45801), OSHA Worker Health & Safety Standard 29 C.F.R. 1910.120; the Uniform Relocation Act, Historic Preservation Act, Endangered Species Act; and Permits required by Section 404 of the Clean Water Act; Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327333), the Anti-Kickback Act (40 U.S.C. 276c) and Section 504 of the Rehabilitation Act of 1973 as implemented by Executive Orders 11914 and 11250; including the applicable laws and regulations set forth on the attached Attachment G incorporated herein.

2. The BORROWER shall ensure that the cleanup is protective of human health and the environment in accordance with EPA, TCEQ and all other applicable regulations. The LENDER may change cleanup activities as necessary based on comments from the public or new information acquired.
3. The BORROWER agrees to assist the LENDER in conducting Community Involvement activities, which may include providing documents for the Community Involvement Plan, and attending public meetings at the LENDER's request.
4. The BORROWER understands and agrees that all Loan Funds provided by the LENDER shall be used to clean up the Property identified in Attachment A and that Loan Funds shall not be used for the payment of any cost or expense related to site assessments, except for confirmation testing and sampling in conjunction with cleanup of the site, nor for building demolition, site improvements or infrastructure unless such activities are approved and necessary to conduct the Agency approved Cleanup Plan. See Attachment B of this agreement for a list of eligible and ineligible costs and activities.
5. The BORROWER agrees to enter into and conduct cleanup activities in accordance with the terms of the TCEQ Voluntary Cleanup Program (VCP) or other TCEQ oversight authority as approved and/or required by the LENDER.
6. The BORROWER agrees to perform the Project in accordance with the selected Cleanup Plan after consideration of public comment on an Analysis of Brownfields Cleanup Alternatives (ABCA).
7. The BORROWER agrees to prepare the following Project Documents, as requested: a Cleanup Plan with detailed design and construction activities, a Project Budget and Work Schedule, including any letters of financial commitment and proformas as required by LENDER, a Quality Assurance Project Plan (QAPP) setting forth the manner and method of collecting samples, Project Completion Reports as required, and any other documents requested or required by LENDER and submitted same to the LENDER and the Agency Project Manager, for approval.
8. All changes or modifications to the Project Documents, Work Plan, Budget and/or Work Schedule initiated by the BORROWER shall be approved in writing by the Agency and LENDER and concurred by USEPA as appropriate, prior to such change or modification becoming effective. All additional costs incurred as a result of any such change orders shall be the responsibility of the BORROWER. In the event that unforeseen conditions are discovered during the Project implementation, the LENDER reserves the right to revise the Project Documents.
9. The BORROWER agrees to submit a Health and Safety Plan in accordance with

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Occupational Safety and Health Administration (OSHA), 29 CFR 1910.120, to the LENDER for review with the Project Documents.

10. Site security will be provided by the Contractor(s). The BORROWER agrees to allow the LENDER to erect a sign on the Property stating that the Project is being financed in part by U.S. EPA RLF Funds, and providing the appropriate contacts for obtaining information on activities being conducted at the Property and for reporting suspected criminal activities.
11. The BORROWER shall carry out (and cause Contractor and any subcontractor employed in connection with the Project to carry out) the Project in accordance with the Davis Bacon Act of 1931 (CERCLA 104(g) (1), 40 U.S.C. 276a to 276a-5 and 42 U.S.C. 3222 as set forth in CERCLA 104(g)). Compliance with the Davis Bacon Act requires payment of federal prevailing wage rates. Contractor must obtain recent and applicable wage rates from the U.S. Department of Labor and incorporate them into the construction contract.
12. The BORROWER shall document how funds are used. Separate records will be maintained for costs incurred for petroleum-contaminated and hazardous substance-contaminated areas.
13. The BORROWER further understands and agrees that any and all work performed on the Property for which Loan Funds are used and the receipt of any Loan Funds under this Agreement is conditioned upon the BORROWER's full compliance with the Project Documents and this Agreement.
14. The BORROWER agrees to conduct all procurement transactions, to the maximum extent practical, in a manner that provides for open and free competition. The BORROWER agrees to award solicitations that are the most advantageous based on price, quality, and other factors considered in the bid specifications.
15. The BORROWER has supplied the LENDER with a redevelopment plan for the property.
16. The BORROWER confirms that the Loan Application previously delivered by Loan Applicant to the LENDER fairly represents the financial condition of BORROWER; has been prepared by a certified public accountant in accordance with generally accepted accounting principles consistently applied; and, as of the date of such financial statement, and since such date, no materially adverse change in the condition or operation of BORROWER has occurred.
17. The BORROWER acknowledges and agrees that Cooperative Agreement No. BF00F-62501 between the LENDER and the USEPA is the source of BRLF Loan Capital and regulates the use of loan funds. The BORROWER further agrees to comply with the terms and conditions (Attachment G) of the Cooperative Agreement as stipulated in this agreement.

V. LOAN TERMS AND CONDITIONS

18. **Loan Period.** This agreement shall be effective upon the Loan Approval Date of _____ (the "LOAN AGREEMENT DATE"). The Loan Term shall run from the date of the first disbursement of funds for a period of ONE HUNDRED FORTY FOUR (144) MONTHS (12 years) (the "Loan End Date" or the "Loan Term").
19. **Loan Amount.** Subject to the terms and conditions of this Agreement, the LENDER agrees to lend to the BORROWER the principal sum of FOUR HUNDRED THOUSAND DOLLARS (\$400,000). The BORROWER may elect to repay the loan prior to the loan due date without prepayment penalty. The Loan Term shall begin on the date of the first disbursement of funds.

20. **Repayment**. No interest or principal payments shall be due and payable in the first year of the Loan. Interest only shall be paid annually in years two (2) and three (3) with the payment due and payable on the 1st day of the month following the expiration of 24 months and 36 months of the Loan Term respectively. Thereafter, the principal and interest shall be due and payable in annual installments in years four (4) through twelve (12) based on a 9 year amortization, utilizing the 10-year Treasury Rate (currently 0.73%), plus 1%, adjustable every 5 years, as a non-assumable loan. Payments of FORTY-EIGHT THOUSAND THREE HUNDRED AND SEVENTY-SIX DOLLARS AND 77/100 (\$48,376.77) will commence on the first day of the month following the expiration of the fourth year of the Loan Term, with a like payment being made annually on the same day of each year, with the balance of all outstanding principal and interest being due and payable on the first day of the month following the Twelfth (12th) year of the Loan Term. Notwithstanding the above, in the event there is a default in this Agreement any amounts due, including principal and interest, shall immediately be due and payable in full.
21. **Origination Fee and Closing Costs**. The BORROWER shall pay origination fees in the amount of zero percent (0%) of the principal amount, not to exceed \$-0-. BORROWER shall pay a non-refundable application fee of \$500.00. The BORROWER shall pay all costs necessary to close the loan, including but not limited to, recording fees, title fees, and legal fees.
22. **Promissory Note**. The BORROWER's obligation to repay the Loan Proceeds shall be evidenced by the Loan Promissory Note as included in Attachment C and incorporated herein. The BORROWER shall not exceed any of the costs enumerated in the approved Project Budget without the prior written approval of the LENDER.
23. **Security**. BORROWER agrees to execute a Deed of Trust on the Properties to secure payment of this Loan. Furthermore, the principal owner of BORROWER shall execute a personal guaranty to secure payment of this Loan.
24. **Project Cost Share**. The BORROWER agrees that the Project Budget shall reflect at least twenty percent (20%) of Project Costs attributed as cost share funds, which may be in the form of a contribution of money, labor, material, or services from a non-federal source to be spent for eligible project costs. Cost share funds must meet all federal requirements to be considered, including, but not limited to, those requirements set forth in CERCLA Sec. 104(k)(9)(B)(iii) and 2 CFR Sec. 200.306.
25. **Disbursement**. The Loan Funds shall be payable to the BORROWER as reimbursement for eligible activities incurred based upon the progress of the work and in accordance with the approved Project Budget. Any request for reimbursement submitted for payment by the first of each month will be paid by the fifteenth of the following month, assuming the reimbursement request has been reviewed and approved for payment by the LENDER.
26. **Retainage**. The LENDER may withhold up to twenty percent (20%) of each payment requested as a retainage until any Agency or Lender required closure reports are received and approved by the Agency.

VI. _CONDITIONS PRECEDENT TO LOAN

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27. **Closing.** The Closing of this Loan shall be subject to:

- A. The LENDER's receipt of a property appraisal from the BORROWER satisfactory to the LENDER.
- B. Payment of the loan application fee as agreed to be paid through a reduction in the first reimbursement payment to the BORROWER.
- C. Written authorization in the form of a resolution, if a corporation, limited liability company, partnership, or other entity authorizing the loan to the BORROWER and authorizing BORROWER's representative to execute the loan documents on behalf of the BORROWER.
- D. Evidence by the BORROWER that no outstanding taxes, fees, charges, mortgages, liens, encumbrances or other assessments have been filed or are recorded against the Property, except those liens accepted by the LENDER.
- E. Title insurance in an amount equal to the obligation provided at the expense of the BORROWER.
- F. Evidence of insurance coverage as set forth in Attachment D in addition to environmental insurance such as Contractor Pollution Liability or Pollution Incident and Environmental Response Policies, incorporated herein. (COVERAGE WITH LIMITS OF LIABILITY AS DETERMINED BY LENDER). All insurance coverage required by this section shall remain in full force and effect during the term of this Agreement, and LENDER will be included as an additional insured/payee.
- G. Identification of the BORROWER's contractor(s) and subcontractor(s) for the Project.
- H. The LENDER's receipt of Project cost breakdown based upon estimates and prices supplied by the BORROWER's contractor(s) and subcontractor(s).
- I. Borrower acknowledges and agrees that all funds, under this loan agreement, shall be expended prior to disbursal of any sub-grant funds.

28. **Security.** As security for the BORROWER's indebtedness to the LENDER, the BORROWER shall grant to the LENDER the security as particularly described in the attached Guarantee and/or Security Agreement as attached hereto in Attachment D, incorporated herein:

- A. A Deed of Trust on said Properties that shall be dated prior to, or concurrently herewith this Agreement;
- B. A Lien or Security Agreement against personal property or equipment of BORROWER that shall be dated prior to, or concurrently herewith this Agreement; and
- C. A Personal Guarantee by a corporate principal that shall be dated prior to, or concurrently herewith this Agreement.

VII. COVENANTS OF BORROWER

29. **Performance.** All Project work performed pursuant to this Agreement and with LENDER Funds shall be performed by a qualified, contractor consistent with good practices and industry standards, and licensed by applicable federal/state/county/city agencies to perform such services.

Attachment: 2020-051 ATTH 09 Texarkana Renewal Properties Agreement v2clean agrmt ExA ExBfinal (2270 : 2020-051 RES Auth CM to enter

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30. **Contracts.** The BORROWER shall provide the LENDER with copies of all bids and contracts for all work required under the Cleanup Plan.
31. **Project Changes.** All changes or modification to the Project or the Project Documents initiated by the BORROWER shall be approved in writing by the Agency Project Manager and the LENDER prior to such change or modification becoming effective. All additional costs incurred as the result of Change Orders shall be the responsibility of the BORROWER. In the event that unforeseen conditions are discovered during the project implementation, the LENDER reserves the right to revise the Cleanup Plan and Project Documents.
32. **Administrative Cost Prohibition.** BORROWER is prohibited from using Loan Funds for administrative costs. Administrative costs include BORROWER loan administration, overhead, and all indirect costs not directly related to the cleanup, including those in the form of salaries, benefits, contractual costs, supplies, and data processing charges for loan administration and overhead costs. Prohibited administrative costs are included in this Loan Agreement as described in Attachment G, incorporated herein. (See also applicable OMB Circular A-122 listed in http://www.whitehouse.gov/omb/circulars/a122/a122_2004.html).
33. **Permits, licenses, inspections.** The BORROWER shall be responsible for obtaining all permits, licenses, approvals, certifications and inspections required by Federal, state or local law and to maintain such permits, licenses, approvals, certifications and inspections in current status during the term of this Agreement that may not be an eligible expense for reimbursement under the terms of the BCRLF.
34. **Site Access.** The BORROWER agrees to provide the LENDER or LENDER's representatives and the Agency Project Manager access to the site from date of execution of this Loan Agreement to completion of all cleanup actions. In the event BORROWER does not complete the cleanup, the LENDER will access the site, ensure that the site is secure and poses no immediate threat to human health and the environment, and notify EPA and TCEQ.
35. **Project Completion.** The BORROWER agrees to:
 - A. Begin the project within sixty-days (60) of this Loan Agreement and will complete all work in a timely manner in accordance with the Project Documents and Approved Budget unless otherwise approved in writing by the LENDER.
 - B. Provide documents and other technical reports relative to the cleanup to the LENDER and Agency Project Manager to confirm completion of and closeout of the cleanup action. The final closeout report shall document completed cleanup goals in compliance with the work plan, actions taken, institutional controls used (if any), resources committed, problems encountered if any cleanup goals achieved, acreage cleaned up, challenges encountered within two months of project completion
 - C. Perform all of its obligations and agreements under this Loan Agreement, the Note and the Deed of Trust securing same, and any other agreements or instruments to which the BORROWER is a party and which relate to this Loan or to the Project.
 - D. The BORROWER agrees that it shall obtain a "Certification of Completion" from the TCEQ for the Property and submit a copy to the LENDER prior to final closeout of the project.

- E. The BORROWER agrees to submit annual Financial Status reports to the LENDER during the project, as well as a final Financial Status Report within 90 days of project completion, using such form(s) as designated by LENDER.
36. **Indemnification.** Throughout the term of this Agreement, the BORROWER agrees to protect, indemnify, defend and hold harmless, the LENDER, its officers, administrators, agents, servants, employees, Agency Project Manager, local partners and all other persons or legal entities to whom the LENDER may be liable from, for or against any and all claims, demands, suits, losses, damages, judgments, costs and expenses, whether direct, indirect or consequential and including, but not limited to, all fees, expenses and charges of attorneys and other professionals, court costs, and other fees and expenses for bodily injury, including death, personal injury and property damage, arising out of or in connection with the performance of any work or any responsibility or obligation of the BORROWER as provided herein and caused in whole or in part by any act, error, or omission of the BORROWER, its agents, servants, employees or assigns.
37. **Signage.** The BORROWER agrees to erect a sign(s) on the Property stating that the project is being financed in part by a USEPA Brownfields Loan and in cooperation with the City of Texarkana and the TCEQ. Associated required signage must include contact for obtaining information on activities being conducted at the site and for reporting suspected criminal activities, Davis-Bacon Compliance, Health & Safety rules. Any sign(s) erected on the Project Site shall comply with all requirements of the state and local law applicable to on premise outdoor advertising.
38. **Waste.** The BORROWER shall not demolish any part of the buildings or structures located on the Property or commit any waste except as provided in the Project Documents without the prior written consent of the LENDER.
39. **Waivers.** Any forbearance by the LENDER with respect to any of the terms and conditions of this Agreement or the Promissory Note shall in no way constitute a waiver of any of the LENDER's rights or privileges granted hereunder.

VIII. EVENTS OF DEFAULT

40. The BORROWER shall be deemed to be in default under this Loan Agreement upon the occurrence of any or more of the following events:
- A. **Assignment.** The BORROWER assigns this Agreement, the Note, or any Loan Funds advanced hereunder or any interest herein to a third party, or, if the Property or any interest therein is conveyed, assigned or otherwise transferred without the prior written consent of the LENDER;
- B. **False Warranty.** Any representation or warranty made herein or in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or the Loan Documents shall prove to be false in any material respect;
- C. **Repayment.** The BORROWER fails to pay any principal amount, fee or interest on the indebtedness to the LENDER after the same shall become due and payable and such failure continues beyond ten (10) business days;
- D. **Failure to Perform.** The BORROWER defaults by failing to perform a term or condition of the Agreement, and fails to correct the default within a period of time specified in a written default notice sent by certified mail, return receipt requested, from

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the LENDER to the BORROWER. The LENDER may at its discretion extend the time period for correction of the default;

- E. **Bankruptcy.** Any proceeding involving the BORROWER or the Property, commenced under any bankruptcy or reorganization arrangement, probate, insolvency, readjustment of debt, dissolution or liquidation law of the United States, or any state, but if such proceedings are instituted, no event of default shall be deemed to have occurred hereunder unless the BORROWER either approves, consents to, or acquiesces in such proceedings, or such proceedings are dismissed within sixty (60) days of filing;

Receivership. An order, judgment or decree is entered, without the application, approval or consent of the BORROWER, by any court of competent jurisdiction approving the appointment of a receiver, trustee or liquidator of the BORROWER of all or a substantial part of its assets, and such order, judgment or decree shall continue in effect for a period of sixty (60) days.

In event of default or the BORROWER does not complete the cleanup, the LENDER will access the site, ensure that the site is secure and poses no immediate threat to human health and the environment, and notify the USEPA and the Agency Project Manager. In this event, the LENDER may: (a) terminate the Agreement; (b) increase the interest rate to ten (10) percent and make the entire outstanding principal and interest immediately due and payable; and (c) institute an action to recover damages against the BORROWER to the full extent of the law. The BORROWER hereby expressly waives any presentment, demand, protest, or notice of any kind.

IX. REPORTING, ADMINISTRATIVE RECORDS AND AUDITS

41. **Reporting.** The BORROWER agrees to provide quarterly reports in a form provided by the LENDER beginning the first quarter after the Closing Date, and, by the 15th of the month following the close of the quarter thereafter until the end of the Loan Period. The report shall contain quantitative and qualitative information related to the progress or completion of the Project and the budget; the progress and completion of the associated development, the numbers of jobs created or retained resulting from the development; the amount of property taxes paid on the site, and other information as required by the LENDER.
42. **Records Retention.** The BORROWER agrees to prepare financial and programmatic records pertaining to all matters relative to this Agreement in accordance with generally accepted accounting principles and procedures and to retain all project environmental records and supporting documentation for a minimum of three (3) years following completion of the cleanup, or upon repayment of the loan made through this Agreement, or three (3) years from the making of this record, whichever occurs last. The BORROWER shall obtain written approval from the LENDER prior to destroying any records, except records subject to audit findings shall be retained an additional three (3) years after such findings have been resolved. The LENDER may require in writing that particular records be retained by the BORROWER beyond the above period(s). The Borrower shall allow the Lender to access records relating to the loan to authorized representatives of the Federal Government.
43. **Financial Information Reporting.** The BORROWER's accounting system or financial reporting system shall:
 - A. Track the use of Loan Proceeds by eligible site-specific Project Costs.
 - B. Identify the expenditure of Loan Proceeds and all matching funds for the cleanup

portion of the Project and for the associated development project.

C. Maintain financial and Project records that segregate expenditures based on federal or non- federal sources of funds.

D. Submit annual financial statement information in a form acceptable to the LENDER.

44. **Project Information.** The BORROWER agrees that it shall maintain Project information including properly executed contracts, invoices, correspondence and other documents sufficient to evidence in proper detail the nature and propriety of the cleanup and expenditures of Loan Proceeds.

45. **Monitoring/Audit.** The BORROWER agrees to permit the LENDER or its designated representative(s) to inspect and/or audit its records and books relative to this Agreement at any time during normal business hours and under reasonable circumstances and to copy any information the LENDER desires relevant to this Agreement. Except in the case of an emergency, the LENDER shall endeavor to provide notice to the BORROWER prior to the execution of this provision.

Or, upon request of the LENDER, and at no cost to LENDER, the BORROWER agrees to deliver the records or have the records delivered to the LENDER or its designated representative at an address designated by such party. If the LENDER or its representative finds that the records delivered by the BORROWER are incomplete, the BORROWER agrees to pay the LENDER or its representative's costs (including but not limited to, payment for time expended, payment of copy costs, and reimbursement for travel expenses to the BORROWER'S office or other location where the books or records are located) to audit or retrieve the complete records. In addition, the BORROWER agrees that Loan-related documents are subject to records access provisions of 40 CFR Parts 30 and 31 as applicable. In addition, the USEPA and authorized representatives of the Comptroller General shall have access to all loan-related documents. The LENDER shall provide notice to the BORROWER prior to execution of this provision.

X. MISCELLANEOUS

46. **Assignment.** The BORROWER shall not assign or attempt to assign directly or indirectly any of its rights under this Agreement, or under any instrument referred to herein, without the prior written consent of the LENDER. The BORROWER shall not assign all or any portion of the Property made the subject of this Agreement without the prior written consent of the LENDER.

47. **Parties to Contract.** The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. This Agreement is not intended to create or vest any rights in any third party or to create any third-party beneficiaries.

48. **Amendments.** All amendments to this Agreement shall be in writing and signed by both parties hereto, and may not be supplemented or amended through the introduction of parol evidence.

49. **Performance.** It is expressly understood that a failure or delay on the part of the BORROWER in the performance, in whole or in part, or any of the terms of this Agreement, if such failure is attributable to an act of God, fire, flood, riot, insurrection, embargo, emergency or governmental orders, pandemic, regulations, priority, or other limitations or restrictions, or other similar unforeseen causes beyond the reasonable control

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of such party, the failure or delay shall not constitute a breach or default under this Agreement however, the BORROWER shall use its best effort to insure that the Project is completed in a reasonable time without unnecessary delay.

50. **Failure of Parties.** No failure of either party to exercise any power or right given it hereunder or to insist on strict compliance by the other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of the other party's right to demand at any time exact compliance with the terms hereof.
51. **Representatives.** All notices, requests, instructions or other documents to be given hereunder to either party by the other shall be in writing and delivered personally or sent by certified or registered mail, postage prepaid, to the addresses set forth in this Agreement. Any such notice, request, instruction or other document shall be conclusively deemed to have been received and be effective on the date on which personally delivered or, if sent by certified or registered mail, return receipt requested, on the day mailed to the parties as follows:

TO THE LENDER:

City of Texarkana
 Planning and Community Development
 P.O. Box 1967
 220 Texas Blvd., 4th Floor
 Texarkana, Texas 75504

TO THE BORROWER:

Texarkana Renewal Properties, LLC.
 105 Olive Street, Apt G
 Texarkana, AR 71854

Or, to such other address as a party may subsequently specify in writing to the other party.

52. This Agreement and all covenants, agreements, representations and warranties made herein shall survive the execution of this Agreement and shall continue in full force and effect so long as the Loan Obligation is outstanding and unpaid.
53. If any provision or item of this Agreement is held invalid, such invalidity shall not affect other provisions or items of this Agreement that can be given effect without the invalid provisions or items, and to this end, the provisions of this Agreement are hereby declared severable.
54. Except for any exhibits, attachments, or other documents as may be affixed hereto, made a part hereof, and properly identified herewith, this Agreement constitutes the entire contract between the parties, and shall not be otherwise affected by any other purported undertaking, whether written or oral.
55. The BORROWER understands and agrees that any use of the Property or any activity thereon which is inconsistent with the foregoing provisions is expressly prohibited.
56. Except for applicable provisions of federal law and regulations, this Agreement and any action brought under this Agreement shall be governed by and constructed in accordance with the laws of the State of Texas.

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IN WITNESS HEREOF, the undersigned representative of the BORROWER and of the LENDER certifies that he or she is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document, as of the day and year first written above.

BORROWER:

Texarkana Renewal Properties, LLC

By _____
David Peavy, Sole Member

Date _____

LENDER:

City of Texarkana, Texas

By _____
Shirley Jaster, City Manager

Date _____

APPROVED AS TO FORM:

By: _____ Date: _____

Attachment: 2020-051 ATTH 09 Texarkana Renewal Properties Agreement v2clean agrmt ExA ExBfinal (2270 : 2020-051 RES Auth CM to enter

LIST OF ATTACHMENTS

ATTACHMENT A: Property Legal Descriptions

ATTACHMENT B: Eligible and Ineligible Costs and Activities

ATTACHMENT C: Promissory Note

ATTACHMENT D: Security Agreement

ATTACHMENT E: Consent the City of Texarkana To Guarantee

ATTACHMENT F: Collateral

ATTACHMENT G: EPA Revolving Loan Fund (RLF) Terms and Conditions

ATTACHMENT H: Request for Disbursement

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ATTACHMENT A Property Legal Descriptions

Texarkana National Bank Building

Site Address: 100 W. Broad Street, Texarkana, TX

Bowie County Texas Assessor's Office: PIDN: 7939; Long Account Number
03840009700

Property Description: CITY/TRIGGS ADDN LOTS 4-6, 2020-1368 02/10/20, BLK/TRACT 21,
0.22 ACRES

(Attach tax information showing Texarkana Renewal Properties, LLC ownership)

And

Parking Garage Property

Site Address: 217-223 Pine Street, Texarkana, TX

Bowie County Texas Assessor's Office: PIDN: 7937; Long Account Number
03840009300

Property Description: CITY/TRIGGS ADDN LOTS 1 & 2, 2020-1370 02/10/20, BLK/TRACT 21,
0.32 ACRES

(Attach tax information showing Texarkana Renewal Properties, LLC ownership)

Contract No: _____ DRAFT 05/19/2020 Texarkana Renewal Properties, LLC

Property Account Report

BOWIE CENTRAL APPRAISAL DISTRICT
Date Updated: Friday, March 27, 2020

Appraisal Year: 2020
Account Number: 03840009700 (7939-1/11950)

Owner Info

Owner Name	TEXARKANA RENEWAL PROPERTIES LLC
Mailing Address	105 OLIVE ST TEXARKANA, AR 71854
Situs Address	100 W BROAD TEXARKANA
Legal Description	CITY/TRIGGS ADDN LOTS 4 5 6 2020-1368 02/10/20 BLK/TRACT 21 0.22 ACRES

Account Info

Deed Date	2/10/2020
Owner Percentage	100.0%
Exemptions	
Deed Vol/Page	2020/1368
Last Date To Protest	5/3/2020

Property Value Information

Land	19,500
Improvements	358,606
Personal	
Mineral	
Market Value	378,106
Ag Market	
Ag Productivity	
Timber Market	
Timber Productivity	
Productivity Loss	
Homesite Cap Loss	
Appraised Value	378,106

Current Year Jurisdiction Values

Code	Jurisdiction Name	Appraised	Exemptions	Taxable
	BOWIE COUNTY T2	378,106		378,106
	TEXARKANA CITY T2	378,106		378,106
	TEXARKANA ISD	378,106		378,106
	TEXARKANA COLLEGE	378,106		378,106
	BOWIE APPRAISAL DIS	378,106		378,106

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Address Correction Pending – should be 217 – 223 Pine

Property Account ReportBOWIE CENTRAL APPRAISAL DISTRICT
Date Updated: Friday, March 27, 2020Appraisal Year: 2020
Account Number: 03840009300 (7937-1/11950)**Owner Info**

Owner Name	TEXARKANA RENEWAL PROPERTIES LLC
Mailing Address	105 OLIVE ST TEXARKANA, AR 71854
Situs Address	201 PINE ST TEXARKANA
Legal Description	CITY/TRIGGS ADDN LOTS 1 2 2020--1370 02/10/20 BLK/TRACT 21 0.32 ACRES

Account Info

Deed Date	2/10/2020
Owner Percentage	100.0%
Exemptions	
Deed Vol/Page	2020/1370
Last Date To Protest	5/3/2020

Property Value Information

Land	14,000
Improvements	68,665
Personal	
Mineral	
Market Value	82,665
Ag Market	
Ag Productivity	
Timber Market	
Timber Productivity	
Productivity Loss	
Homesite Cap Loss	
Appraised Value	82,665

Current Year Jurisdiction Values

Code	Jurisdiction Name	Appraised	Exemptions	Taxable
	BOWIE COUNTY T2	82,665		82,665
	TEXARKANA CITY T2	82,665		82,665
	TEXARKANA ISD	82,665		82,665
	TEXARKANA COLLEGE	82,665		82,665
	BOWIE APPRAISAL DIS	82,665		82,665

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Land Sketch

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Attachment: 2020-051 ATTH 09 Texarkana Renewal Properties Agreement v2clean agrmt ExA ExBfinal (2270 : 2020-051 RES Auth CM to enter

ATTACHMENT B

Eligible and Ineligible Costs and Activities

Costs incurred prior to the execution of a loan or subgrant could be eligible costs if they meet all the criteria of eligible costs listed below. These would include eligible costs incurred while conducting pre-award eligible activities necessary to satisfy VCP or RLF requirements. Such eligible costs could also be counted toward the 20% cost share required for the loan or subgrant award.

Borrowers may fund the following activities with BRLF cleanup funds:

1. Limited site characterization including confirming the effectiveness of the proposed cleanup design or the effectiveness of a cleanup once an action has been completed
2. Developing a Quality Assurance Project Plan (QAPP) as required by Part 31 and Part 30 regulations. The specific requirement for a QAPP is outlined in U.S. EPA Order 53601.1, April 1984, as amended on May 5, 2000;
3. Using a portion of a loan or subgrant to purchase environmental insurance for the site. The loan or subgrant may not be used to purchase insurance intended to provide coverage for any of the Ineligible Uses under Section C, and;
4. Conducting the voluntary remediation work identified in a Texas Commission on Environmental Quality (TCEQ)-approved Response Action Plan (RAP) or Corrective Action Plan (CAP). The RAP and/or CAP will specify all activities necessary to complete a cleanup protective of human health and the environment, together with a cost estimate for conducting the work.

Following are examples of common eligible project costs if they are part of an approved VCP agreement. Such costs include, but are not limited to:

1. Installation of fences, warning signs, or other security or site control precautions;
2. Installation of drainage controls;
3. Stabilization of berms, dikes or impoundments; or drainage or closing of lagoons;
4. Capping of contaminated soils;
5. Using chemicals and other materials to retard the spread of the release or mitigate its effects;
6. Excavation, consolidation or removal of contaminated soils;
7. Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants or contaminants, including petroleum;
8. Removal of source materials, including free product recovery;
9. Containment, treatment or disposal of hazardous materials and petroleum contamination;
10. Site monitoring activities, including sampling and analysis, that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup;
11. Limited site characterization activities that are reasonable, necessary and incidental to the cleanup process, such as sampling to confirm the effectiveness of the proposed cleanup design or the effectiveness of a cleanup once an action has been completed; and
12. Costs associated with meeting public participation, worker health and safety, and

programmatic management requirements.

Following are examples of known ineligible project costs. Such costs include, but are not limited to:

1. Environmental assessment activities including Phase I and Phase II Environmental Site Assessments
2. Monitoring and data collection for permit compliance required under other federal and state laws, unless such a permit is required as a component of the cleanup action;
3. Construction, demolition, and development activities that are not integral to the cleanup actions (e.g., marketing of property or construction of a new non-cleanup facility);
4. Job training unrelated to performing a specific cleanup at a site covered by a loan or subgrant;
5. Payment of a penalty or fine;
6. To pay a federal cost share requirement (for example, a cost-share required by another Federal grant) unless there is specific statutory authority;
7. To pay for a response cost at a brownfields site for which the recipient of the grant or loan is potentially liable under CERCLA § 107;
8. To pay a cost of compliance with any federal law, excluding the cost of compliance with laws applicable to the cleanup;
9. Unallowable costs (e.g., lobbying and fund raising) under applicable OMB Circulars; and,
10. Repairing or improving public or private drinking water supplies that have deteriorated through ordinary use.

Under CERCLA § 104(k)(4)(B), administrative costs are prohibited costs under this agreement. Prohibited administrative costs include all indirect costs under applicable OMB Circulars incurred by the CAR and subgrantees.

Prohibited administrative costs for the borrower (including those in the form of salaries, benefits, contractual costs, supplies, and data processing charges) are those incurred for loan administration and overhead costs. Direct costs for loan administration are ineligible even if the borrower is required to carry out the activity under the loan agreement.

Ineligible loan administration costs include expenses for:

1. Preparation of applications for loans and loan agreements;
2. Preparing revisions and changes in the budget, workplans, and other documents required under the loan agreement;
3. Maintaining and operating financial management and personnel systems;
4. Preparing payment requests and handling payments; and
5. Audits.

Overhead costs by the borrower that do not directly clean up brownfields site contamination or comply with laws applicable to the cleanup are ineligible administrative costs. Examples of overhead costs that would be ineligible in loans include expenses for:

1. Salaries, benefits and other compensation for persons who are not directly engaged in the cleanup of the site (e.g., marketing and human resource personnel);
2. Facility costs such as depreciation, utilities, and rent on the borrower's administrative offices;

3. Supplies and equipment not used directly for cleanup at the site;
4. Costs included by the borrower for procurement are eligible only if the procurement contract is for services or products that are direct costs for performing the cleanup, for insurance costs, or for maintenance of institutional controls; and
5. Direct costs by the borrower for progress reporting to the lender are eligible programmatic costs.

DRAFT

Contract No: _____ DRAFT 05/19/2020 Texarkana Renewal Properties, LLC

DRAFT

Attachment: 2020-051 ATTH 09 Texarkana Renewal Properties Agreement v2clean agrmt ExA ExBfinal (2270 : 2020-051 RES Auth CM to enter

ATTACHMENT C Promissory Note

Date: _____

The undersigned Texarkana Renewal Properties, LLC ("Borrower") agrees to pay to The City of Texarkana "Lender"), as follows:

1. Promise to Pay

For value received, Borrower promises to pay to LENDER the principal amount of FOUR HUNDRED THOUSAND and No/Dollars (\$400,000.00) plus interest on the principal utilizing the 10-year Treasury Rate (currently 0.73%), plus 1%, adjustable every 5 years (1.73%)

2. Payment of Amount Due.

A. Initial Interest Payment

On NA, the Borrower shall pay to LENDER the then accrued interest.

Payment. No interest or principal payments shall be due and payable in the first year of the Loan. Interest only shall be paid annually in years two (2) and three (3) with the payment due and payable on the 1st day of the month following the expiration of 24 months and 36 months of the Loan Term respectively. Thereafter, the principal and interest shall be due and payable in annual installments in years four (4) through twelve (12) based on a 9 year amortization, utilizing the 10-year Treasury Rate (currently 0.73%), plus 1%, adjustable every 5 years, as a non-assumable loan. Payments of FORTY-EIGHT THOUSAND THREE HUNDRED AND SEVENTY-SIX DOLLARS AND 77/100 (\$48,376.77) will commence on the first day of the month following the expiration of the fourth year of the Loan Term, with a like payment being made annually on the same day of each year, with the balance of all outstanding principal and interest being due and payable on the first day of the month following the Twelfth (12th) year of the Loan Term. Notwithstanding the above, in the event there is a default in this Agreement any amounts due, including principal and interest, shall immediately be due and payable in full.

B. Additional Payments

Borrower may prepay all or any portion of the Amount Due at any time.

C. Payment Procedure

Each payment shall be by check payable to the order of LENDER. Each payment shall be delivered to LENDER on or before 5:00 p.m. (Central time) on the Due Date.

D. Application of Payment

The amount of each payment shall be applied in the following order: (i) to accrued interest; (ii) to any permitted delinquency or late charges; (iii) to Collection Costs;

and (iv) the balance, if any, to reduce the principal amount.

3. **Loan Agreement and Collateral**

This Note is executed in accordance with the closing of a Loan Agreement between the Borrower and LENDER. In addition, this Note is secured by Collateral in accordance with various Related Documents, including the Deed of Trust and Personal Guaranty executed of like date, executed by the Borrower or others. Rights and obligations with respect to the Collateral and rights to accelerate the Amount Due under this Note are stated in such Loan Agreement and the Related Documents. The term "Collateral" as used in this Note shall mean any funds, guarantees, or other property or rights of any nature which may have been, are, or subsequently may be, provided as security for the Amount Due. The words "Related Documents" mean and include, without limitation, all other promissory notes, credit agreements, loan agreements, guarantees, security agreements, mortgages, deeds of trust, and all other instruments, agreements, and documents, now or subsequently existing, executed in connection with this Note or the Loan Agreement.

4. **Delinquency Charge**

If a payment is not paid in full within 15 calendar days of the Due Date, then the payment is delinquent. If a payment is delinquent, then Borrower agrees to pay a delinquency charge equal to the lesser of \$100 or 5% of the unpaid amount of each payment. Delinquency charges shall be immediately due and payable. Each delinquency charge constitutes an advance to Borrower by LENDER and shall be added to the principal amount at the time the delinquency charge is incurred. The Borrower understands that the right of LENDER to assess the delinquency charge set forth in this Section is in addition to, and not exclusive of, any right of LENDER (i) to declare this Note in default, or (ii) to enforce any other right available to LENDER at law, in equity, or by agreement.

5. **Default**

LENDER, at its option, may declare this Note in default and declare the entire amount of unpaid principal, plus accrued interest, as immediately due and payable if (i) Borrower is in default under any term of this Note; (ii) acceleration is permitted under the terms of the Loan Agreement or any Related Document referred to above; (iii) the Borrower does not pay any payment in full by the Due Date or other charge or expense when due; (iv) the prospect of payment, performance, or realization of Collateral is significantly impaired; or (v) the Borrower transfers, sells or assigns the Collateral or this Note without the prior written consent of Lender.

6. **Payment of Costs and Expenses**

The Borrower agrees to pay all costs and expenses incurred by LENDER (i) in any suit or proceeding to enforce this Note, (ii) in any suit or proceeding in which LENDER is a party and all or any portion of the Collateral is the subject matter of the suit or proceeding, (iii) in making or attempting to make collection of delinquent payments or curing any default of any debt or obligation described in this Note, (v) in any settlement negotiations, or (vi) in searching or abstracting records ("Collection Costs"). The phrase "costs and expenses" is defined to include, without limitation, attorney fees and fees of experts. The phrase "suit or proceeding" is defined to include, without limitation, administrative, arbitration, negotiation, trial, and appellate proceedings. Collection Costs constitute an advance to Borrower by LENDER and shall be added to the principal amount at the time the Collection Costs are incurred.

7. Waiver

Borrower waives presentment, notice of dishonor, and protest.

8. Governing Law, Jurisdiction, and Venue

This Note shall be construed and interpreted in accordance with the laws of the State of Texas. The courts of Texas shall have exclusive jurisdiction, and Ada County is the proper venue.

BORROWER:

Texarkana Renewal Properties, LLC

By _____ Date _____
David Peavy, Sole Member

ATTACHMENT D Security Agreement

1. BASIC PROVISIONS AND DEFINITIONS

The following basic provisions and definitions shall be construed in conjunction with, and limited by, the provisions of this Agreement.

1.1 Lender

The City of Texarkana., whose current address is P.O. Box 1967, 220 Texas Blvd., 4th Floor, Texarkana, Texas 75504

1.2 Borrower

The "Borrower" is Texarkana Renewal Properties, LLC whose current address is 105 Olive Street, Apt G., Texarkana, AR 71854.

1.3 Promissory Note

The "Promissory Note" is a note in the amount of FOUR HUNDRED THOUSAND Dollars (\$400,000) executed by Borrower with final payment due of any outstanding balance.

1.4 Obligations Secured

This Agreement secures the following debts and obligations ("Obligations"): (i) The payment, interest, and other obligations set forth in the Promissory Note, (ii) The payment of all such additional sums as may be loaned or advanced by the Lender to the Borrower for any purpose, together with the payment, interest and other obligations set forth in any notes, drafts or instruments representing such additional sums. It is understood that the making of such additional loans or advances is optional with the Lender, (iii) The payment and performance by the Borrower of the payment and other terms and conditions of this Agreement and the Related Documents, (iv) The payment of all costs, expenses, and other sums advanced or incurred by the Lender in accordance with this Agreement that are payable by the Borrower, (v) Interest payments as set forth in this Agreement, and (vi) The additional obligations set forth on the attached Additional Obligations Rider, if any.

1.5 Related Documents

The words "Related Documents" mean and include, without limitation, all promissory notes, credit agreements, loan agreements, guarantees, security agreements, mortgages, deeds of trust, and all other instruments, agreements, and documents, now or subsequently existing, executed in connection with the Promissory Note or this Agreement.

1.6 General Definitions

Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Texas Uniform Commercial Code.

2. GRANT OF SECURITY

2.1 Grant. As security for the payment and performance of the Obligations, Borrower does hereby GRANT to Lender a security interest in the property particularly described on Attachment F attached ("Collateral").

2.2 Perfection of Security Interest

The Borrower covenants and agrees as follows:

- a. Borrower shall promptly cause this Agreement and financing statements to be recorded and rerecorded, registered and re-registered, filed and re-filed at such times and places as may be required by law or deemed advisable by Lender to create, preserve or protect the lien upon all or any part of the Collateral.
- b. Borrower shall from time to time do and cause to be done all such other things as may be reasonably required by Lender or required by law, including all things which may from time to time be necessary under the Texas Uniform Commercial Code, to create, perfect, preserve and protect the lien upon the Collateral.
- c. Borrower shall promptly reimburse Lender for any expenses relating to the perfection and the continuation of the perfection of Lender security interest in the Collateral.
- d. Borrower shall promptly notify Lender in writing of any changes in the name of the grantor, including without limitation, any changes in the assumed business name of the Borrower.
- e. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact to execute, acknowledge and deliver all such instruments on behalf of Borrower which Borrower fails or refuses to so do.

2.3 Borrower's Right to Possession

Until default, Borrower may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Borrower's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Borrower shall request or at Lender, in Lender sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Borrower shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Collateral.

2.4 Expenditures by the City of Texarkana, Texas

If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Borrower under this Agreement, including without limitation all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining, and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses shall become a part of the indebtedness and, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER.

The Borrower represents and warrants to, and covenants with, Lender as follows:

3.1 Title

Except as expressly stated otherwise in this Agreement, (i) the Borrower holds good and marketable title to the collateral, free and clear of all liens and encumbrances except for the lien of this Agreement, and (ii) no financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement. The Borrower will warrant and defend Lender's interest in the Collateral from all claims and demands, and will give such assurances and perform such acts as may be necessary to perfect or confirm the priority of Lender's interest created by this Agreement.

3.2 Payment and Performance of Debts and Obligations

The Borrower shall promptly pay, observe, and discharge the Obligations.

3.3 No Violation

The execution and delivery of this Agreement will not violate any law or agreement-governing Borrower or to which Borrower is a party.

3.4 Enforceability of Collateral

To the extent the Collateral consists of accounts, contract rights, chattel paper, or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable laws concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral.

3.5 Removal of Collateral

Borrower shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at Borrower's address shown above, or at such other locations as are acceptable to Lender. Some or all of the Collateral may be located at the real property described above. Except in the ordinary course of its business, including the sales of inventory, Borrower shall not remove the Collateral from its existing locations without the prior written consent of Lender. To the extent that the Collateral consists of vehicles, or other titled property, Borrower shall not take or permit any action which would require registration of the vehicles outside the State of Texas, without the prior written consent of Lender.

3.6 Transactions Involving Collateral

Except for inventory sold or accounts collected in the ordinary course of Borrower's business, Borrower shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Borrower shall not pledge, mortgage, encumber, or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Borrower shall immediately deliver any such proceeds to Lender.

3.7 Maintenance and Inspection of Collateral

Borrower shall maintain all tangible Collateral in good condition and repair. Borrower will not commit or permit damage to or destruction of the Collateral or any part of the Collateral. Lender and its designated representatives and agents shall have the right at all reasonable times to examine,

inspect, and audit the Collateral wherever located. Borrower shall immediately notify Lender of all cases involving the return, rejection, repossession, loss or damage of or to any Collateral; of any request for credit or adjustment or of any other dispute arising with respect to the Collateral; and generally of all happenings and events affecting the Collateral or the value or the amount of the Collateral.

3.8 Taxes, Assessments and Liens

Borrower will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Borrower may withhold any such payment or may elect to contest any lien if Borrower is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender interest in the Collateral is not jeopardized in Lender sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Borrower shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Borrower shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Borrower shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

3.9 Compliance with Governmental Requirements

Borrower shall comply promptly with all laws, ordinances, and regulations of all governmental authorities applicable to the production, disposition, or use of the Collateral. Borrower may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender interest in the Collateral, in Lender opinion, is not jeopardized.

3.10 Hazardous Substances

Borrower represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The representations and warranties contained in this Section are based on Borrower's due diligence in investigating the Collateral for hazardous wastes and substances. Borrower hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify shall survive the payment of the indebtedness and the satisfaction of this Agreement.

3.11 Maintenance of Casualty Insurance

Borrower shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverage's and basis reasonably acceptable to Lender and issued by a

company or companies reasonably acceptable to Lender. Borrower, upon request of Lender will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverage's will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender. In connection with all policies covering assets in which Lender holds or is offered a security interest, Borrower will provide Lender with such loss payable or other endorsements as Lender may require. If Borrower at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance, as Lender deems appropriate, including if it so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

3.12 Application of Insurance Proceeds

Borrower shall promptly notify Lender of any loss or damage to the Collateral. Lender may make proof of loss if Borrower fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Borrower from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Borrower. Any proceeds which have not been disbursed within six (6) months after their receipt and which Borrower has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

3.13 Insurance Reserves

Lender may require Borrower to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created bimonthly payments from Borrower of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Borrower shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account, which Lender may satisfy by payment of the insurance premiums required to be paid by Borrower as they become due. Lender does not hold the reserve funds in trust for Borrower, and Lender is not the agent of Borrower for payment of the insurance premiums required to be paid by Borrower. The responsibility for the payment of premiums shall remain Borrower's sole responsibility.

3.14 Insurance Reports

Borrower, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured; (e) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (f) the expiration date of the policy. In addition, Borrower shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

3.15 Defense of Collateral

Borrower will, at its own expense, appear in and defend any action or proceeding that (i) might affect Lender security or the rights or powers of Lender, or (ii) purports to affect any of the Collateral.

3.16 Inspections

Lender and Lender agents are authorized at any reasonable time to inspect the Collateral and perform any of the acts Lender is authorized to perform under the terms of this Agreement.

3.17 Waiver of Offset

All sums payable by Borrower under this Agreement shall be paid without notice, demand, counterclaim, set off, deduction or defense and without abatement, suspension, deferment, diminution or reduction. The Obligations shall in no way be released, discharged or otherwise affected (except as expressly provided in this Agreement) by reason of (i) any damage to or destruction of, or any condemnation or similar taking of all or any portion of, the Collateral, (ii) any restriction or prevention of, or interference with, any use of all or any portion of the Collateral, (iii) any title defect or encumbrance, (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Lender, or any action taken with respect to this Agreement by any trustee or receiver of Lender, or by any court, in any such proceeding, (v) any claim which Borrower has or might have against Lender, (vi) any default or failure on the part of Lender to perform or comply with any of the terms of this Agreement or of any other agreement with Borrower, or (vii) any other occurrence whether similar or dissimilar to the foregoing. Except as expressly provided in this Agreement, Borrower waives all rights now or subsequently conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any Obligation secured by this Agreement.

3.18 Business Purpose

The loan evidenced by the Promissory Note and secured by this Agreement is a business and commercial loan transacted solely for the purpose of carrying on Borrower's business.

4. EVENTS OF DEFAULT

The occurrence of any one of the following shall constitute an event of default under this Agreement:

4.1 Default on Obligations

Borrower fails to strictly comply with the payment or other terms and conditions of this Agreement, the Promissory Note, the Related Documents, or any other Obligation secured by this Agreement.

4.2 False Statement

Any representation or disclosure made to Lender by the Borrower or any guarantor of any liability or obligation secured by this Agreement proves to be false or misleading as of the date the representation or disclosure is made, irrespective of whether the representation or disclosure appears in this Agreement.

4.3 Defective Collateralization

This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

4.4 Events Regarding Guarantor

Any guarantor of any of the Obligations secured by this Agreement (i) revokes or attempts to revoke such guarantee, (ii) fails to strictly comply with the payment or other terms and conditions of the guaranty, or (iii) suffers a material adverse change in financial status or condition.

4.5 Change in Financial Status

The Borrower suffers a material change in financial status and fails to provide Lender with adequate assurance that the debts and obligations secured by this Agreement will be paid or performed when due.

4.6 Transfer/Assignment

The Borrower transfers or assigns the Collateral or Note without the prior written consent of Lender.

4.7 Insolvency or Creditor Proceedings

- a. Borrower (i) files a voluntary petition in bankruptcy, (ii) is adjudicated bankrupt or insolvent, (iii) files any petition or answer seeking or acquiescing in any arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal, state, or local statute, law or regulation, (iv) seeks, consents to, or acquiesces in, the appointment of any trustee, receiver or liquidator of all or any part of the Collateral, (v) makes any general assignment for the benefit of creditors, or (vi) admits in writing Borrower's inability to pay Borrower's debts generally as the debts become due.
- b. A court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Borrower seeking any relief under any present or future federal, state or local statute, law, or regulation relating to bankruptcy, insolvency, or other relief for debtors and such order, judgment or decree shall remain un-vacated and un-stayed for an aggregate of thirty (30) days (irrespective of whether such days are consecutive) from the appointment.
- c. A trustee, receiver, or liquidator of all or any part of the Collateral is appointed with or without the consent of the Borrower and such appointment is un-vacated and un-stayed for an aggregate of thirty (30) days (irrespective of whether such days are consecutive) from the appointment.

4.8 Attachment of Collateral

A writ of execution or attachment (or similar process) is issued or levied against all or any portion of the Collateral or any judgment involving monetary damages is entered against the Borrower which becomes a lien on all or any portion of the Collateral and such execution, attachment (or similar process), or judgment is not released, bonded, satisfied, vacated or stayed within thirty (30) days after the earlier of the relevant issuance, levy or entry of judgment (irrespective of whether such days are consecutive).

5. REMEDIES ON DEFAULT

Upon the occurrence of any event of default, Lender shall have all of the rights and remedies available at law or in equity, including, without limitation, the following:

5.1 Accelerate Payment Obligations

Lender may accelerate and declare all payment Obligations secured by this Agreement as immediately due and payable without any presentment, demand, protest, or notice of any kind.

5.2 Accelerate Other Obligations

Lender may accelerate and require the performance and observance of all non-payment Obligations secured by this Agreement.

5.3 Assemble Collateral

Lender may require Borrower to deliver to Lender all or any portion of the Collateral and all certificates of title and other documents relating to the Collateral. Lender may require Borrower to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Borrower to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Borrower agrees Lender may take such other goods, provided that Lender

makes reasonable efforts to return them to Borrower after repossession.

5.4 Sell Collateral

Lender may sell, lease, transfer all or any portion of the Collateral separately from or together with the remaining Collateral either as one unit or in such separate units as Lender selects. In the event of any sale of the Collateral, Lender will give to the Borrower reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition is to be made. The Borrower agrees that the requirement of reasonable notice is met if notice is delivered in accordance with Section 6.1 at least five (5) business days before the time of the scheduled sale or other disposition.

5.5 Appoint Receiver

To the extent permitted by applicable law, Lender shall have the following rights and remedies regarding the appointment of a receiver: (a) Lender may have a receiver appointed as a matter of right, (b) the receiver may be an employee of Lender and may serve without bond, and (c) all fees of the receiver and the receiver's attorney shall become part of the indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

5.6 Collect Revenues; Apply Accounts

Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in its discretion transfer any Collateral into its own name or that of its nominee and receive the payments, rents, income, and revenues there from and hold the same as security for the Obligations or apply it to payment of the Obligations in such order of preference as Lender may determine. If the Collateral consists in part of accounts, general intangibles, insurance policies, instruments, chattel paper, choices of action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Borrower, receive, open and dispose of mail addressed to Borrower; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

5.7 Uniform Commercial Code

Lender shall be entitled to all of the remedies available to a secured party under the Texas Uniform Commercial Code.

5.8 Remedies Cumulative

No remedy available to Lender is intended to be exclusive of any other remedy, but shall be cumulative and in addition to the other remedies available to Lender. Such remedies may be enforced irrespective of whether some or all of the debts and obligations secured by this Agreement may now or subsequently be otherwise secured by mortgage, deed of trust, pledge, lien, assignment, or otherwise.

5.9 Deficiency Judgment

The Borrower hereby expressly consents to a deficiency judgment for any Obligation secured by this Agreement, which is not paid or satisfied by the sale of the Collateral.

6. GENERAL PROVISIONS

6.1 Notices

All notices, claims, requests and other communications ("Notices") under this Agreement shall be in writing, and shall be addressed or delivered to the relevant address set forth in Section 1 above, or at such other address as shall be given in writing by a party to the other. Notices delivered in person shall be deemed delivered on the date of delivery. Notices delivered by mail shall be deemed delivered on the date of delivery, refusal, or final notice indicated on the return receipt if deposited in the United States Mail, certified or registered, return receipt requested, with postage prepaid. All other Notices shall be deemed delivered on the date of receipt.

6.2 Power of Attorney

Borrower hereby appoints Lender as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following: (a) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable from the Collateral; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and, in the place and stead of Borrower, to execute and deliver its release and settlement for the claim; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Borrower, or otherwise, which in the discretion of Lender may seem to be necessary or advisable. This power is given as security for the indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Lender.

6.3 Release, Modification, Additional Security, Consent.

Without affecting the liability of the Borrower, any guarantor, or any other person for the payment of any of the debts or obligations secured by this Agreement, Lender may from time to time and without notice to Borrower, any guarantors, or other persons (i) release any person liable for the payment of any debt or obligation, (ii) extend or modify the terms of payment of any debt or obligation, (iii) accept additional real or personal property of any kind as security, or alter, substitute or release any property securing any debt or obligation, (iv) Lender all or any part of the Collateral, or (v) subordinate this Agreement.

6.4 Indemnification

The Borrower shall indemnify, defend and hold Lender harmless from all claims or liabilities of any nature, whether arising at law or in equity, (including attorney fees and costs) directly or indirectly relating to (i) any lawsuit or proceeding concerning this Agreement or the Collateral, or (ii) the operation, management, or use of, or act or inaction taken regarding, all or any portion of the Collateral.

6.5 Payment of Costs and Expenses

The Borrower agrees to pay all costs and expenses incurred by Lender (i) in any suit to foreclose this Agreement, (ii) in any suit or proceeding in which Lender appears to defend or protect the lien of this Agreement, (iii) in any suit or proceeding in which Lender is a party and all or any portion of the Collateral is the subject matter of the suit or proceeding, (iv) in making or attempting to make collection of delinquent payments or curing any default of any debt or obligation secured by this Agreement, (v) in any settlement negotiations, or (vi) in searching or abstracting records ("Collection Costs"). The phrase "costs and expenses" is defined to include, without limitation, attorney fees and fees of experts. The phrase "suit or proceeding" is defined to include, without limitation, administrative, arbitration, negotiation, trial, and appellate proceedings.

6.6 Interest

Except as otherwise provided in this Agreement, all payments becoming due under, or secured by, this Agreement shall bear interest at the under, or secured by, this Agreement shall bear interest at the **annual percentage rate of 1.73%**. Interest shall be calculated from the due date until paid. Interest shall continue to accrue after default under this Agreement. It is the intent of the Borrower and Lender in the execution of this Agreement to contract in strict compliance with the usury laws, if any, of the State of Texas. The Borrower and Lender stipulate and agree that none of the terms and provisions contained in the Agreement shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Texas. Borrower or any guarantor, endorser or other party liable for the payment of the debts or obligations secured by this Agreement shall not be liable for unearned interest under the debts or obligations secured by this Agreement at a rate in excess of the maximum interest that may be lawfully charged under the laws of the State of Texas. The provisions of this Section shall control over all other provisions of the Promissory Note and any other instrument executed in connection with this Agreement, which may be in apparent conflict. If a court of competent jurisdiction shall make a final determination that the performance of any provision of the debts or obligations secured by this Agreement shall result in a payment of an amount for such use, forbearance or detention in excess of such rate, then (i) such provision shall be deemed to be appropriately modified to the extent necessary to reduce such rate, and (ii) any such excess amounts previously received shall be deemed to have been applied to the redemption at par of a like principal amount.

6.7 Governing Law, Jurisdiction, and Venue

This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas. The parties agree that the courts of Texas shall have exclusive jurisdiction and agree that Bowie County is the proper venue.

6.8 Time of the Essence

Time is of the essence with respect to the obligations to be performed under this Agreement.

6.9 Nonwaiver of Remedies

The failure or neglect of a party to enforce any remedy available by reason of the failure of the other party to observe or perform a term or condition set forth in this Agreement shall not constitute a waiver of such term or condition. A waiver by a party (i) shall not affect any term or condition other than the one specified in such waiver, and (ii) shall waive a specified term or condition only for the time and in a manner specifically stated in the waiver.

6.10 Successors and Assigns

Subject to any express provisions in this Agreement regarding restrictions on transfers or assignments, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, assigns, heirs, and personal representatives.

6.11 Severability

The invalidity of any portion of this Agreement, as determined by a court of competent jurisdiction, shall not affect the validity of any other portion of this Agreement.

6.12 Joint and Several

To the extent that more than one individual or person constitutes the Borrower, the representations, warranties, covenants, debts, and Obligations secured by this Agreement shall be joint and several representations, warranties, covenants, debts, and Obligations of such individuals and persons.

6.13 Captions

Captions used in this Agreement are for convenience only and shall not limit, modify, or affect the interpretation of this Agreement.

SIGNATURE (S) OF THE BORROWER:
Texarkana Renewal Properties, LLC

By _____
David Peavy, Sole Member

Date

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Attachment: 2020-051 ATTH 11 ATTACHMENT D Security Agreement (2270 : 2020-051 RES Auth CM to enter into loan agrmnts for former TNB)

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STATE OF TEXAS

COUNTY OF BOWIE

GUARANTY AGREEMENT

FOR VALUE RECEIVED, and in consideration of the City of Texarkana, Texas (hereinafter called LENDER) extending credit to **Texarkana Renewal Properties, LLC.**, hereinafter called BORROWER (whether one or more), this Guaranty is given by the undersigned, hereinafter called GUARANTOR, whether one or more.

1. **Obligation.** GUARANTOR unconditionally, and jointly and severally as principal, guarantees to LENDER and LENDER's successors and assigns, the prompt payment to LENDER at maturity of the following described indebtedness, with all renewals, extensions, modifications, including all obligations related to said indebtedness, described as follows, to-wit:

That certain Brownsfield Revolving Loan Fund Loan Agreement of even date herewith executed by BORROWER payable to the Order of LENDER in the original principal sum of **Four Hundred Thousand and No/100 (\$400,000.00) for property located at 217-219 Pine Street, Texarkana, Texas**, with interest thereon, together with all attorneys' fees, costs, and expenses of collection incurred by LENDER in connection with any matter covered by this guaranty, and all attorneys' fees, costs, and expenses incurred by LENDER in connection with the enforcement of any obligation of any GUARANTOR hereunder.

2. **Term.** The joint and several liability of GUARANTOR shall continue until payment is made of every obligation of BORROWER now due or hereafter to become due relative to the above described indebtedness, and until payment is made of any loss or damage incurred by LENDER with respect to any matter covered by this guaranty.

3. **Consent to LENDER's Acts.** GUARANTOR jointly and severally consents, without affecting any of GUARANTOR'S liability to LENDER hereunder, that LENDER may, without notice to or consent of GUARANTOR, upon such terms as it may deem advisable: (a) extend, in whole or in part, by renewal or otherwise, the time of payment of any indebtedness owing by BORROWER to LENDER, or held by LENDER as security for any such indebtedness; (b) release, surrender, exchange, substitute, modify, impair, or extend the period of duration, or the time for performance or payment, of any collateral securing any indebtedness of BORROWER to LENDER; (c) settle or compromise any claim of LENDER against BORROWER, or against any other person, firm or corporation, whose obligation is held by LENDER as collateral security for any indebtedness of BORROWER to LENDER; and (d) release, in whole or in part, any of GUARANTOR'S or any number of GUARANTORS, or reach any settlement, accommodation, or compromise with any one or more (but less than all) of GUARANTORS. GUARANTOR jointly and severally hereby ratifies and affirms any such extension, renewal, release, surrender, exchange, substitution, modification, impairment, settlement, accommodation, or compromise; and all such actions shall be binding upon GUARANTOR jointly and severally, and

GUARANTOR hereby waives all defenses, counterclaims, or offsets which GUARANTOR jointly and severally might have by reason thereof.

4. **Waiver.** GUARANTOR jointly and severally waives: (a) notice of acceptance of this guaranty by LENDER; (b) presentment, notice of presentment, demand for payment, protest, notice of protest, notice of dishonor, notice of intent to accelerate maturity, and notice of acceleration of maturity, of any of BORROWER indebtedness, and of the obligation of any person, firm or corporation, held by LENDER as collateral security for any of BORROWER's indebtedness; (c) notice of the failure of any person, firm, or corporation to pay to LENDER any indebtedness held by LENDER as collateral security for any indebtedness of BORROWER; (d) notice of the death, or termination of the liability hereunder for future indebtedness, of any of the GUARANTORS; and (e) all defenses, offsets, and counterclaims which GUARANTOR may at any time have to any claim of LENDER against BORROWER.

5. **BORROWER Change or Enforceability.** Should the status of BORROWER change (including, without limitation, by the incorporation of an operation owned by a BORROWER, the dissolution of a corporate BORROWER, the adjudication of mental incapacity of a BORROWER and appointment of a guardian therefor, or any other alteration of status, similar or dissimilar to any such listed example), this GUARANTY shall continue and also cover the indebtedness (then existing or thereafter arising) of the successor to such BORROWER in the new status, according to the terms hereof guaranteeing the indebtedness of the BORROWER. If any or all of the indebtedness cannot, for any reason, be enforced or becomes unenforceable, in whole or in part, against BORROWER (or any one of BORROWER), such fact shall not, in any manner, affect the liability GUARANTOR hereunder, but such liability shall remain and continue as to the entire indebtedness as if it had been fully enforceable against BORROWER.

6. **Representations by GUARANTOR.** GUARANTOR represents that, at the time of the execution and delivery of this guaranty, nothing exists to impair the effectiveness of the liability of GUARANTOR to LENDER hereunder, or to stop this GUARANTY from becoming immediately effective as the sole agreement between GUARANTOR and LENDER with respect to guaranteeing BORROWER's indebtedness to LENDER.

7. **Remedies.** LENDER may at its option proceed in the first instance against GUARANTOR, or if more than one guarantor, jointly and severally, or any one or more of them, to collect any indebtedness covered by this guaranty, without first proceeding against BORROWER; or any other person, firm, or corporation, and without first resorting to any property at any time held by LENDER as collateral security.

8. **Modification.** The whole of this guaranty is herein set forth, and there is no verbal or other written agreement, and no understanding or custom affecting the terms hereof. This guaranty can be modified only by a written instrument signed by the party to be charged therewith.

9. **Benefit.** This guaranty is delivered and made in, and shall be construed pursuant to the laws of, the State of Texas, and is binding upon GUARANTOR and her legal representatives, and shall inure to the benefit of LENDER, its successors and assigns. It is performable in Bowie County, Texas.

IN WITNESS WHEREOF, GUARANTOR has signed this GUARANTY on the 8th day of June, 2020.

David Peavy, Individually

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Attachment: 2020-051 ATTH 12 Guaranty \$400000final (2270 : 2020-051 RES Auth CM to enter into loan agrmnts for former TNB)

ATTACHMENT E

Consent of TEXARKANA RENEWAL PROPERTIES, LLC to Guarantee

(1) RESOLVED, that the members of this Limited Liability Corporation named below, or any one of them, or their, or any one of their, duly elected or appointed successors in office, be and they are hereby authorized and empowered in the name and on behalf of this corporation to execute and deliver to the City of Texarkana, Texas (hereinafter called Lender), as the case may be, in the form required by Lender, the following documents: (a) Guaranty for payment of a Note evidencing an indebtedness to said Lender in a sum not to exceed in principle amount FOUR HUNDRED THOUSAND Dollars (\$400,000), maturing upon such date or dates and bearing interest at such rate or rates as may be prescribed by Lender; (b) any other instruments or agreements of this corporation which may be required by Lender in connection with such loans, renewals, and/or extensions.

(2) FURTHER RESOLVED, that the aforesaid members or any one of them, or their duly elected or appointed successors in office, be and they are hereby authorized and empowered to do any acts, including but not limited to the mortgage, pledge, or hypothecation from time to time with Lender of any or all assets of this company to secure such loan or loans, renewals and extensions, and to execute in the name and on behalf of this corporation and under its corporate seal or otherwise, any instruments or agreements deemed necessary or proper by Lender, in respect of the collateral securing any indebtedness of this corporation;

(3) FURTHER RESOLVED, that any indebtedness heretofore contracted and any contracts or agreements heretofore made with Lender on behalf of this corporation, and all acts of officers or agents of this corporation in connection with said indebtedness or said contracts or agreements, are hereby ratified and confirmed;

(4) FURTHER RESOLVED, that the members referred to in the foregoing resolutions are as follows:

Texarkana Renewal Properties, LLC

By _____
David Peavy, Sole Member

Date

Attachment: 2020-051 ATTH 13 Ex F - H (2270 : 2020-051 RES Auth CM to enter into loan agrmnts for former TNB)

(5) FURTHER RESOLVED, that Lender is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution regularly presented to and adopted by the members of the Texarkana Renewal Properties, LLC, at a meeting duly called and held at _____ on the _____ day of _____, at which a quorum was present and voted, and that such resolution is duly recorded in the minutes of this company; that the members named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective members set after their respective names; and that the signatures set opposite their respective names are their true and genuine signatures.

Texarkana Renewal Properties, LLC

By _____ Date _____
David Peavy, Sole Member

ATTACHMENT F Collateral

The word “collateral” means the following described property of Grantor:

COLLATERAL TO BE DETERMINED AND ADDED

Including all inventory, accounts, general intangibles, equipment, and fixtures, together with the following specifically described property:

1. All attachments, accessions, accessories, tools, parts, supplies, increases, and additions to and all replacements of and substitutions for any property described above.
2. All products and produce of any of the property described in this collateral section.
3. All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of sale, lease, or other disposition of any of the property described in this collateral section.
4. All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this collateral section.
5. All records and data relating to any of the property described in this collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of grantor's right, title, and interest in and to all computer software required to utilize, crate, maintain, and process any such records or data on electronic media.

Attachment: 2020-051 ATTH 13 Ex F - H (2270 : 2020-051 RES Auth CM to enter into loan agrmnts for former TNB)

ATTACHMENT G
EPA Revolving Loan Fund (RLF) Terms and Conditions

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Attachment: 2020-051 ATTH 13 Ex F - H (2270 : 2020-051 RES Auth CM to enter into loan agrmnts for former TNB)

ATTACHMENT H Request for Disbursement

Brownfields Revolving Loan Fund Request for Disbursement

Instructions: This Disbursement Request Form should be used for all disbursements on RLF Loan projects. It is to be completed by the RLF Loan Recipient and submitted with each payment request, accompanied with the Eligible Expenses Tracking Spreadsheet and supporting information (bill or invoice).

Project Name: _____

Program Site
Number: _____

Loan Recipient: _____

Contact Person: _____

Mailing Address: _____

Phone Number: _____

Email: _____

Loan Recipient's Authorized Representative: _____

Authorized Representative's Phone Number: _____

Invoice Number: _____ Date: _____

Description of work for which claim is being made (service, fees, etc.):

Original Loan Amount: \$ _____

Amount of Request \$ _____

Cumulative Costs Incurred to Date (Including Request) \$ _____

Balance Remaining After Disbursements \$ _____

The undersigned hereby certifies that this Request is true and correct, that the claim underlying this Request is due in accordance with the Participant's Financial Assistance Agreement with the Authority, and that the services contained in such claim were procured in accordance with Indiana's public bidding laws and federal cross-cutting requirements (e.g., Davis-Bacon), if applicable.

AUTHORIZED REPRESENTATIVE SIGNATURE

Date

DRAFT

Attachment: 2020-051 ATTH 13 Ex F - H (2270 : 2020-051 RES Auth CM to enter into loan agrmnts for former TNB)

[illegible]

ATTACHMENT E

Consent of TEXARKANA RENEWAL PROPERTIES, LLC to Guarantee

(1) RESOLVED, that the members of this Limited Liability Corporation named below, or any one of them, or their, or any one of their, duly elected or appointed successors in office, be and they are hereby authorized and empowered in the name and on behalf of this corporation to execute and deliver to the City of Texarkana, Texas (hereinafter called Lender), as the case may be, in the form required by Lender, the following documents: (a) Guaranty for payment of a Note evidencing an indebtedness to said Lender in a sum not to exceed in principle amount FOUR HUNDRED THOUSAND Dollars (\$400,000). maturing upon such date or dates and bearing interest at such rate or rates as may be prescribed by Lender; (b) any other instruments or agreements of this corporation which may be required by Lender in connection with such loans, renewals, and/or extensions.

(2) FURTHER RESOLVED, that the aforesaid members or any one of them, or their duly elected or appointed successors in office, be and they are hereby authorized and empowered to do any acts, including but not limited to the mortgage, pledge, or hypothecation from time to time with Lender of any or all assets of this company to secure such loan or loans, renewals and extensions, and to execute in the name and on behalf of this corporation and under its corporate seal or otherwise, any instruments or agreements deemed necessary or proper by Lender, in respect of the collateral securing any indebtedness of this corporation;

(3) FURTHER RESOLVED, that any indebtedness heretofore contracted and any contracts or agreements heretofore made with Lender on behalf of this corporation, and all acts of officers or agents of this corporation in connection with said indebtedness or said contracts or agreements, are hereby ratified and confirmed;

(4) FURTHER RESOLVED, that the members referred to in the foregoing resolutions are as follows:

Texarkana Renewal Properties, LLC

By _____
David Peavy, Sole Member

Date

(5) FURTHER RESOLVED, that Lender is authorized to rely upon the aforesaid resolutions until receipt of written notice of any change.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution regularly presented to and adopted by the members of the Texarkana Renewal Properties, LLC, at a meeting duly called and held at _____ on the _____ day of _____ at which a quorum was present and voted, and that such resolution is duly recorded in the minutes of this company; that the members named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective members set after their respective names; and that the signatures set opposite their respective names are their true and genuine signatures.

Texarkana Renewal Properties, LLC

By _____ Date _____
David Peavy, Sole Member

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☒ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☒ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☐ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: Medium

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☒ None Required	☐

Other: