RED RIVER AUTHORITY OF TEXAS

A G E N D A

REGULAR BOARD OF DIRECTORS MEETING
PURSUANT TO THE TEXAS OPEN MEETINGS ACT. Id. § 551.127(c), (e).
Wednesday, September 17, 2025 – 9:00 a.m.
Red River Authority of Texas Administrative Offices
3000 Hammon Road
Wichita Falls, Texas

In compliance with the Texas Open Meetings Act, Chapter 551, Texas Government Code, the Red River Authority of Texas issues this public notice. On Wednesday, September 17, 2025, the Board of Directors of the Red River Authority of Texas (Authority) will meet. The public meeting will be held in the Board Room of the Authority's headquarters located at 3000 Hammon Road, Wichita Falls, Wichita County, Texas, at 9:00 a.m. All interested parties are encouraged to attend.

The meeting will be held in person and can be accessed remotely. General public wishing to attend remotely can do so by going to the Zoom Website at the following link:

https://us02web.zoom.us/j/83607812991?pwd=aOgZLpiW0E65nM3x86W7Au0JOn2INs.1

and entering both the **Meeting ID: 836 0781 2991** and **Passcode: 050525**, when prompted.

General public attending the meeting in person and wishing to address the Board must complete a registration form that indicates the agenda item or other topic on which they wish to comment, the speaker's name, address, and other relevant information. Prior to the Call to Order, provide the registration form to the Executive Assistant. Please wait until acknowledged by the Board President or Presiding Officer to speak. Discussion about items not on the agenda will be allowed a three-minute time frame. The Board cannot comment on items not on the agenda or take action other than to place a topic on a future agenda.

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

Item One: Call the Meeting to Order, Roll Call, Pledges of Allegiance to the U.S. and Texas Flags, and Invocation.

Item Two: Public Comments to the Board of Directors.

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

CONSENT AGENDA

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

Item Three:

a. Approval of the Minutes of the Regularly Scheduled Board of Directors Meeting Held on July 23, 2025, and Take Any Other Action Deemed Necessary.

b. Approval of Directors' Expenses, and Take Any Other Action Deemed Necessary.

REGULAR AGENDA

Item Four: Conduct a Swearing-In Ceremony for Newly Appointed and Reappointed Members to the Board of Directors:

a. Administer Oath of Office

b. Complete Required Certificates for Filing

Item Five: Election and Appointment of Officers for Fiscal Year 2025-2026, and Take Any Other Action Deemed Necessary.

a. Election of Vice President, Secretary/Treasurer, and Assistant Secretary.

b. Appointment of the General Manager and General Counsel by the Board of Directors.

c. Appointment of the Executive Committee by the President.

d. Reappointment of the Asset Management/Customer Service, Governmental/Regulatory, and Finance Committees by the President.

Item Six: Review Board Governance and Compliance on Certified Agenda Requirements for Executive Sessions, the Texas Open Meetings Act, and Communication Protocols for Sub-Committees.

Item Seven: Receive a Presentation from Controller, Crystal Santos, on the Consolidated Annual Operating Budget for Fiscal Year 2025-2026, and Take Any Other Action Deemed Necessary.

Item Eight: Receive a Recommendation from the Finance Committee and Consider Approval of Resolution No. 2025-012, Adopting the Consolidated Annual Operating Budget for Fiscal Year 2025-2026, Including the Fee Schedules, Calendar, and Take Any Other Action Deemed Necessary.

Item Nine: Conduct an Executive Session of the Board of Directors, Pursuant to Government Code Section 551.072, Deliberation Regarding Real Property.

Item Ten: Take Any Action Deemed Necessary from the Executive Session, Pursuant to Government Code Section 551.072.

Item Eleven: Receive a Presentation from Assistant General Manager, Bryan Schaffner, on the Asset Management Plan 2025 for the Red River Authority of Texas, and Take Any Other Action Deemed Necessary.

Item Twelve: Receive a Recommendation from the Asset Management/Customer Service Committee and Consider Resolution 2025-013 Adopting the Asset Management Plan 2025 for the Red River Authority of Texas, and Take Any Other Action Deemed Necessary.

Item Thirteen: Consider Resolution No. 2025-014 Adopting a Records Retention Policy, in Accordance with Title 6, Subtitle C, Local Government Code and Designate a Retention Management Officer and Take any other Action Deemed Necessary

Item Fourteen: Other Business as the Board May Deem Appropriate:

a. Board Committee Reports
b. General Manager's Report
c. Assistant General Manager's Report
d. Administration Manager's Report
e. Controller's Report

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

Item Sixteen: Adjourn Meeting.

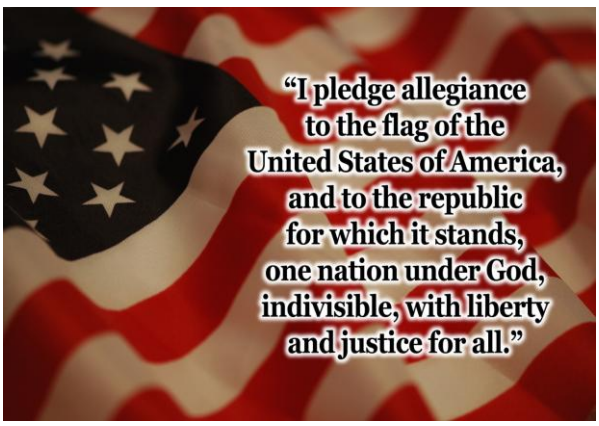
RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 1

Call the Meeting to Order, Roll Call, Pledge of Allegiance to the Texas and U.S. Flags, and Invocation

Director Name and Region Representing	In person Attendance Confirmed	Video & Audio Attendance Confirmed	Absent
Jerry Bob Daniel, President – Region 2			
Conrad J. Masterson, Vice President – Region 2			
Tonya Detten , Assistant Secretary – Region 1			
Jerry Dan Davis, Director – Region 1			
Mike Sandefur, Director – Region 3			
Joe Ward, Director – Region 3			
Vacant– Region 1			
Vacant - Region 2			
Vacant– Region 3			

Quorum? ☐ Yes ☐ No



RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 2

Public Comments to the Board of Directors

General public attending the meeting in person and wishing to address the Board must complete a registration form that indicates the agenda item or other topic on which they wish to comment, the speaker's name, address, and other relevant information. Prior to the Call to Order, provide the registration form to the Executive Assistant. Please wait until acknowledged by the Board President or Presiding Officer to speak. Discussion about items not on the agenda will be allowed a three-minute time frame. The Board cannot comment on items not on the agenda or take action other than to place a topic on a future agenda.

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 3

CONSENT AGENDA

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

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a. Approval of the Minutes of the Regularly Scheduled Board of Directors Meeting Held on July 23, 2025, and Take Any Other Action Deemed Necessary.

b. Consider Approval of Directors' Expenses, and Take Any Other Action Deemed Necessary.

Sample Motion:

I move the Board to approve the items on the Consent Agenda, as presented.

Second _____

Vote for _____ against _____.

RED RIVER AUTHORITY OF TEXAS
Regular Board of Directors Meeting
Meeting Minutes
July 23, 2025

The Red River Authority of Texas Board of Directors held a regularly scheduled meeting on Wednesday, July 23, 2025, at 9:00 a.m. The meeting was held at the Authority's Administrative Offices located at 3000 Hammon Road, Wichita Falls, Texas.

The meeting was open to the public, and the agenda was publicly posted in accordance with Open Meetings Act requirements.

The following directors, staff, and guests were present:

Directors:	Mr. Jerry Bob Daniel, President, Truscott
	Mr. Conrad J. Masterson, Jr., Vice President, Cee Vee – *Via Zoom*
	Ms. Mary Lou Bradley, Secretary/Treasurer, Memphis
	Ms. Tonya D. Detten, Assistant Secretary, Panhandle – *Via Zoom*
	Mr. Jerry Dan Davis, Wellington
	Mr. Michael R. Sandefur, Texarkana – *Via Zoom*
	Mr. Stephen A. Thornhill, Denison
	Mr. Joe L. Ward, Telephone – *Via Zoom*
Staff:	Mr. Fabian A. Heaney, General Manager
	Mr. Bryan Schaffner, Assistant General Manager
	Ms. Cara Glasscock, Administration Manager
	Ms. Crystal Santos, Controller
	Mr. Glen Hite, IT Systems Administrator

Item One: **Call the Meeting to Order, Roll Call, Pledge of Allegiance to the Texas and U.S. Flags, and Invocation.**

Mr. Daniel called the meeting to order at 9:00 a.m. Ms. Glasscock performed roll call and announced that a quorum of the Board was present. Pledges of allegiance to the United States and Texas Flags were said by all. Mr. Daniel then provided the invocation.

Item Two: **Public Comments to the Board of Directors.**

There were no public comments to the Board of Directors.

Item Three:

CONSENT AGENDA

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

a. Approval of the Minutes of the Regularly Scheduled Board of Directors Meeting Held on April 16, 2025, and Take Any Other Action Deemed Necessary.

b. Consider Approval of Directors' Expenses, and Take Any Other Action Deemed Necessary.

Following review of the consent agenda items, Ms. Detten made a motion that the items on the consent agenda be approved, as presented. Mr. Davis seconded the motion, which passed unanimously by a vote of **8 For** and **0 Against**.

REGULAR AGENDA

Item Four: **Consider Adopting Resolution #2025-004, Commending Ms. Mary Lou Bradley and Resolution #2025-008, Mr. Stephen A. Thornhill, for Their Service on the Board of Directors, and Take Any Other Action Deemed Necessary.**

Mr. Davis made a motion to approve Resolution #2025-004, Commending Ms. Mary Lou Bradley and Resolution #2025-008, Mr. Stephen A. Thornhill, for Their Service on the Board of Directors. His motion was seconded by Mr. Sandefur, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

Item Five: **Receive an Overview of the Preliminary Fiscal Year 2025-2026 Consolidated Annual Operating Budget from Controller, Ms. Crystal Santos, and Take Any Other Action Deemed Necessary.**

Ms. Santos provided an overview of the preliminary projected income and expenditures by division for Fiscal Year 2025-2026. There was no action on this item.

Item Six: **Consider Adopting Resolution No. 2025-009 Approval of Amending Authorized Signers on the TexPool Account, and Take Any Other Action Deemed Necessary.**

Mr. Davis made a motion to approve amending the authorized signers on the TexPool account. His motion was seconded by Mr. Thornhill, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

Item Seven: **Consider Resolution No. 2025-010, Adopting the New Wholesale Water Rate to be Charged to the City of Chillicothe, Texas, and Take Any Other Action Deemed Necessary.**

Following minor discussion, Mr. Thornhill made a motion to approve Resolution No. 2025-010, adopting the new wholesale water rate to be charged to the City of Chillicothe, Texas. Mr. Davis seconded the motion, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

Item Eight: **Consider Authorizing the Expenditure of Funds from the TWDB Lockett Grant to Cover Engineering Costs and to Advertise for Bids for the RRA Lockett Water Tower and Waterline Replacement Project, and Take Any Other Action Deemed Necessary.**

After a brief discussion, Mr. Sandefur made a motion to approve the use of funds from the TWDB Lockett grant for engineering costs and to advertise for bids related to the RRA Lockett Water Tower and Waterline Replacement Project. Mr. Ward seconded the motion, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

Item Nine: **Receive a Recommendation from the Assistant General Manager to Declare Excess and Obsolete Equipment as Surplus Property for Sale or Disposal, and Take Any Other Action Deemed Necessary.**

Mr. Sandefur made a motion to approve the provided list of equipment as excess or obsolete and authorize its sale or disposal. His motion was seconded by Mr. Davis, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

Item Ten: **Receive a Recommendation from the General Manager, and Consider Approval of Proposed Revisions to the Authority's Pension Plan with TCDRS, and Take Any Other Action Deemed Necessary.**

Mr. Heaney provided a summary of the current pension plan and recommended changes to ensure the Authority remains competitive as an employer. These changes would also enable the Authority to allocate funds in other ways. A yearly review of the pension plan will be conducted to ensure it remains adequately funded. Ms. Detten made a motion to approve the proposed revisions to the Authority's pension plan with TCDRS. Ms. Bradley seconded the motion, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

Item Eleven: **Consider Adopting Resolution No. 2025-011, Amending Chapter 1 – General Administration of the Administrative Policy and Procedure Manual to include the Revisions of the Authority's Pension Plan with TCDRS, and Take Any Other Action Deemed Necessary.**

Ms. Detten made a motion to approve Adopting Resolution No. 2025-011, Amending Chapter 1 – General Administration of the Administrative Policy and Procedure Manual to include the revisions of the Authority's pension plan with TCDRS. Her motion was seconded by Mr. Davis, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

Item Twelve: **Consider Authorizing the General Manager to Negotiate and Execute a Supplemental Easement Agreement for the Benefit of Southwestern Electric Power Company in the Amount of $2,000.00, and Take Any Other Action Deemed Necessary.**

Mr. Heaney explained the supplemental easement offer from Southwestern Electric Power Company. After a brief discussion, Mr. Sandefur motioned to authorize the General Manager to negotiate and execute the supplemental easement agreement. Ms. Detten seconded that motion, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

President Daniel called for a five-minute break from 10:15 a. m. to 10:20 a. m.

Item Thirteen: **Other Business as the Board May Deem Appropriate:**

a. Board Committee Reports

There were no Board Committee updates.

b. General Manager's Report

Mr. Heaney provided a brief update.

c. Assistant General Manager's Report

Mr. Schaffner provided an update on the Utility Division.

d. Administration Manager's Report

Ms. Glasscock provided an administrative update.

e. Financial Report by the Controller

Ms. Santos provided a financial update.

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

No suggestions or comments.

Item Fifteen: Adjourn Meeting.

Mr. Daniel adjourned the meeting at 11:25 a.m.

Jerry Bob Daniel
President

Tonya D. Detten
Assistant Secretary

RED RIVER AUTHORITY OF TEXAS

Board of Director Committees
Summarized Statement of Expenses
Fiscal Year 2025

		TOTAL	NOTES
FINANCE COMMITTEE			
BOARD MEMBER	**MEETING DATE**		
Michael Sandefur	08/12/25	150.00	To be approved
Jerry Dan Davis	08/12/25	150.00	To be approved
GOVERNMENTAL/REGULATORY COMMITTEE			
BOARD MEMBER	**MEETING DATE**		
ASSET MANAGEMENT/CUSTOMER SERVICE COMMITTEE			
BOARD MEMBER	**MEETING DATE**		
Conrad Masterson	08/19/25	150.00	To be approved
Jerry Bob Daniel	08/19/25	150.00	To be approved
TOTAL TO BE APPROVED 09/17/25		**$ 600.00**	
YEAR TO DATE FISCAL YEAR 2024 TOTAL		**$ 600.00**	

RED RIVER AUTHORITY OF TEXAS

Board of Directors Meeting
Summarized Statement of Expenses
July 23, 2025

			TOTAL
Mary Lou Bradley			
		Lodging	126.50
			126.50
Jerry Bob Daniel			
	Director Fees	1 Days @ $150/Day	150.00
		200 Miles at .70/Mile	140.00
			290.00
Tonya D. Detten			
	Director Fees	1 Days @ $150/Day	150.00
			150.00
Conrad J. Masterson, Jr.			
	Director Fees	1 Day @ $150/Day	150.00
			150.00
Stephen A. Thornhill			
	Director Fees	1 Day @ $150/Day	150.00
		240 Miles at .70/Mile	168.00
			318.00
Jerry D. Daivs			
	Director Fees	1 Day @ $150/Day	150.00
		288 Miles at .70/Mile	201.60
			351.60
Michael Sandefur			
	Director Fees	1 Days @ $150/Day	150.00
			150.00
Joe L. Ward			
	Director Fees	1 Day @ $150/Day	150.00
			150.00
TOTAL DIRECTOR EXPENSES			**1,686.10**

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 4

Conduct a Swearing-In Ceremony for Newly Appointed and Reappointed Members to the Board of Directors

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a. **Administer Oath of Office**

b. **Complete Required Certificates for Filing**

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 5

Election and Appointment of Officers for Fiscal Year 2025-2026, and Take Any Other Action Deemed Necessary.

a. Election of Vice President, Secretary/Treasurer, and Assistant Secretary

Current Vice President – Conrad Masterson
Current Secretary/Treasurer – Vacant
Current Assistant Secretary – Tonya D. Detten

b. Appointment of the General Manager and General Counsel by the Board of Directors

Current General Manager – Fabian Heaney
Current General Counsel – Emily W. Rogers, Bickerstaff Heath Delgado Acosta LLP

c. Appointment of the Executive Committee by the President. Current Executive Committee Members:

Jerry Bob Daniel – President
Conrad J. Masterson – Vice President
Tonya D. Detten – Assistant Secretary
Vacant – Treasure / Secretary

d. Reappointment of the Asset Management/Customer Service, Governmental/Regulatory, and Finance Committees by the President.

<u>Asset Management Committee/Customer Service Committee</u>
Vacant
Jerry Bob Daniel
Conrad J. Masterson
Bryan Schaffner – Staff Contact

<u>Regulation/Governmental Committee</u>
Jerry Bob Daniel
Joe Larry Ward
Tonya D. Detten
Fabian Heaney – Staff Contact

<u>Finance Committee</u>
Vacant
Jerry Dan Davis
Michael R. Sandefur
Crystal Santos – Staff Contact

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 6

Review Board Governance and Compliance on Certified Agenda Requirements for Executive Sessions, the Texas Open Meetings Act, and Communication Protocols for Sub-Committees.

1. Executive Sessions:
   - The Board may enter into a closed (executive) session only as permitted by law.
   - A certified agenda or recording is required for every executive session.
   - Certified agendas must state:
     - Date and time of the meeting.
     - Subject matter discussed.
     - Presiding officer.
   - The agenda/recording must be kept for at least two years and is confidential by law.

2. Walking Quorum & Board Communications:
   - A quorum is the minimum number of members needed to conduct business (usually a majority).
   - A walking quorum occurs when board members communicate in smaller groups (via email, text, or conversations) that collectively involve a quorum and discuss board business.
   - Walking quorums are prohibited because they can:
     - Circumvent the public's right to open discussion.
     - Lead to violations of the Texas Open Meetings Act.

3. Best Practice for Board Members:
   - Do:
     - Save discussions of board business for properly posted meetings.
     - Use the designated committee staff member as the point of contact for gathering or sharing information.
   - Don't:
     - Share board opinions or decisions by group text, emails, or side conversations.
     - Route non-committee issues to anyone other than the Board President or General Manager.
     - Communicate about board business with board members outside of your designated committee.

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 7

Receive a Presentation from Controller, Crystal Santos, on the Consolidated Annual Operating Budget for Fiscal Year 2025-2026, and Take Any Other Action Deemed Necessary.

Ms. Santos will provide an overview of the Consolidated Annual Operating Budget for Fiscal Year 2025-2026.

Consolidated Annual Operating Budget

Red River at State Highway 37

Fiscal Year
2025 - 2026
2022 - 2023

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET
FISCAL YEAR 2025–2026

TABLE OF CONTENTS

GOVERNING BODY

The Authority's governing body is composed of a nine-member Board of Directors, all of whom are appointed by the Governor and confirmed by the Senate. Each Director must be a legal voter, a property taxpayer, and a resident in the Authority's jurisdictional area. Each Director serves a six-year staggered term. The Directors are organized by a President, as appointed by the Governor, and they elect from their membership a Vice-President, Secretary-Treasurer, and Assistant Secretary in September of each year. The President also appoints from their membership, as confirmed by the Board, three Directors to serve with the President on the Executive Committee. The Executive Committee functions as a policy, administrative, and fiscal oversight committee for all agency related activities. Members are designated by the President to the following committees to provide oversight for Management: Asset Management/Customer Service, Finance, and Regulation/Governmental. The Board of Directors administers all affairs of the Authority through a Board-adopted Administrative Policy and Procedure Manual, and a Board-appointed chief executive officer in the position of General Manager.

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS

Jerry Bob Daniel
President
Truscott

Conrad J. Masterson, Jr.
Vice-President
Cee Vee

Tonya D. Detten
Director
Panhandle

Jerry Dan Davis
Director
Wellington

Joe L. Ward
Director
Telephone

Michael R. Sandefur
Secretary/Treasurer
Texarkana

WE HAVE A NINE MEMBER BOARD WITH THREE VACANT POSITIONS. ONE VACANCY EACH FROM REGIONS 1, 2, AND 3.

MANAGEMENT TEAM

Fabian A. Heaney, General Manager
Bryan D. Schaffner, Assistant General Manager
Cara A. Glasscock, Administration Manager
Crystal Santos, Controller

Red River Authority of Texas

September 17, 2025

The Honorable President
and Members of the Board of Directors
Red River Authority of Texas

SUBJECT: FISCAL YEAR 2025-2026 PROPOSED CONSOLIDATED OPERATING BUDGET

Dear President Daniel and Members of the Board:

As required by Texas Water Code Chapter 49, Section 49.057, here is the Proposed Consolidated Annual Operating Budget for the Red River Authority of Texas, Fiscal Year 2025-2026. Each year, staff prepares the proposed budget for submittal to the Board of Directors for adoption. The Authority's budget process provides the Board an opportunity to review and adopt the budget, which serves as the financial guide for the fiscal year. This Consolidated Annual Operating Budget covers the fiscal period beginning October 1, 2025 and ending September 30, 2026.

BUDGET PROCESS

The process for developing the proposed budget began June 9th, 2025. At that time, Key Leadership Staff met to discuss the budget process. Each Division was encouraged to prepare funding requests needed for operations, keeping in mind the strategic goals of the Authority. The Controller provided a firm accounting through April 30, 2025, and extrapolated those numbers to provide a projected year-end balance. We utilized these projections, historical trends, and included requests from the Divisions, to arrive at the Proposed Consolidated Annual Operating Budget for Fiscal Year 2025-2026.

In addition to this Consolidated Annual Operating Budget, staff prepared a Capital Improvement Plan (CIP) that focuses on capital budgeting needs. Capital Improvements are defined as investments made to acquire or enhance a fixed asset with a value of $5,000 or more. Examples are tangible equipment items, building replacement or addition projects, or large utility projects.

We first consulted the 2025 Asset Management Plan Update and began to prioritize projects for inclusion. The Division supervisors were then asked to include requests for capital improvements and equipment they needed to be budgeted. These items were then divided into Long Term and

Short Term CIP. The benchmark established for a request to be included in the Long Term CIP is that the total cost of the request is $25,000 or more. Projects listed in the Long Term CIP may take multiple years to complete, which may require future financial decisions of the Board before they can be fully funded.

ACCOMPLISHMENTS

In FY 2024-2025, the Authority had many accomplishments. The Authority secured new Federal funding ($1.476 Million) for our Lockett and Carey Northfield Systems. We also secured Texas Water Development Board funding ($2.464 Million) for our Lockett System. We are upgrading our accounting system to the cloud-based Incode 9 platform, which will allow us to upgrade further to Incode 10. The Authority has also launched a new website. This will improve customer access to Authority services.

The Authority is sponsored for Federal grant money through Congressman Ronny Jackson's office for Federal appropriations in the amount of $1.664 Million for FY 2026. The funds are earmarked for capital improvements in the Congressman's district for our Foard County and Truscott-Gilliland water systems. We will track the request as it passes through the Federal budget process.

While the Authority has kept a near-full complement of staff during FY2024-2025, finding skilled employees continues to be difficult. Applicants for open positions are few and are seldom qualified. We continue to make changes that make the Authority competitive in the market. This year's Budget request will help in the retainage of staff.

Utility Division

The Authority completed all capital improvements to close all EPA enforcements against the Authority, with our water systems now being in compliance with nitrate and TTHM EPA Orders.

In the Preston Shores Water System, the SCADA project is nearing completion, and the new tanks are under construction. Both of these projects were approved in last year's budget. Staff also installed new power cabling in conduit, and one new raw water pump in Lake Texoma, with a second pump to be installed before the end of 2025.

The RRA Board of Directors authorized the hiring of a construction crew in late 2022. This crew completed the installation of new AMI meters throughout the utility system and the EPA Lead Service Line surveys, and are now working on the line replacement project in the Lockett Water System. The AMI system is already showing benefits in reduced labor, driving hours, and reduced data entry hours for meter reading and billing. However the best reduction had been in customer water loss. Out of the 20 miles of donated HDPE pipe from Dow Chemical and Performance Pipe, 9 miles has been installed in Lockett Water System, and the project should be complete in the upcoming fiscal year.

Generator quick-connects are being designed and installed at each facility as we make capital improvements. We will need to install a fixed facility generator for the Preston Shores Water System for compliance. Staff will kick off a SCADA program this fiscal year to have Authority-installed SCADA at various plants.

Environmental Services Division

The Environmental Services Division (ESD) Laboratory expanded their service capabilities into the State of Oklahoma by acquiring Oklahoma State accreditation. We can now accept samples from Oklahoma utilities, companies, or individuals needing environmental analyses.

The ESD Lab also recently completed a TCEQ NELAP audit. The staff has responded to auditor findings, and the ESD Lab is expected to retain NELP accreditation for the next two years. Recently, the lab has obtained a new certificate to test for Chlorite, which will also increase revenue for in-house testing, and decrease expenses from using an external lab.

The Authority has again contracted with the Texas Commission on Environmental Quality to administer the Clean Rivers Program (CRP) in the Red and Canadian River Basins. The FY25 Basin Highlights Report for the Red and Canadian River Basins was approved by TCEQ.

General Division

The Authority was again appointed by the Regional Water Planning Group – Area B to serve as the administrative agency and contract with the Texas Water Development for the sixth cycle of regional water planning (RWP) for Region B.

We continue to be sponsors for the Red River Chloride Control Project and the Red River Navigation Project. Our commitment for this fiscal year only requires funding for meetings and travel by Authority staff. The US Army Corps of Engineers Navigation Economic Study has been funded and is in contracting. The study will be complete in 300 days. This is a result of a collaboration between the Authority, USACE, and North Central Texas Council of Governments.

Communications Division

The Communications Division continues to provide increasing revenues each fiscal year. We completed the upgraded of required FAA lighting on our towers to give them better visibility to air traffic. This was a modest increase in maintenance cost.

BUDGET HIGHLIGHTS

The Fiscal Year 2025-2026 Consolidated Annual Operating Budget reflects several changes from the prior year. The main variance comes from capital improvements. The Authority continues addressing the projects on the 2017 Bond Issuance. Procedure-wise, the budget continues to address the Board's desire to streamline the Authority's fund accounting and to correctly account for interfund transfers. For FY 2025-2026, the Authority is partially relying on reserves. We will be able to fund several projects from the operating budget, and two projects from reserve funds.

The Authority's total proposed revenue budget for Fiscal Year 2025-2026 is $10,489,487, which is a decrease of $1,724,553 from the Fiscal Year 2024-2025. The Authority's total proposed operating budget expenditures for Fiscal Year 2025-2026 is $9,807,688, which is a decrease of $724,002 from the Fiscal Year 2024-2025. Three funds make up 99.9% of the Authority's total budget, with the Utility Division Fund representing 83%, the Environmental Services Division Fund representing 10%, and the General Division Fund representing 6%.

The Authority follows the salary groups classified in accordance with the Position Classification Plan (PCP) as provided by the State Auditor's Office (SAO). The Authority's Policy follows the State recommended increases to the PCP upon availability of budgeted funds. This are no increases for the next fiscal year. However, the Authority is budgeting up to 5% for merit increases ($164,000).

Some of the Long Term Capital projects carry over from prior years. Inflation continues to drive up construction and material estimates in the budget. However, with Federal and State grants coming in this year, we hope to make great progress in the Lockett and Carey Northfield Water Systems.

For Fiscal Year 2025-2026, the Environmental Services Division budget will be no net gain due to the economic forecast. The lab will add new equipment this fiscal year to expand testing capabilities and increase revenue opportunities.

CONCLUSION

This Proposed Consolidated Operating Budget for Fiscal Year 2025-2026 provides a viable economic plan for the upcoming year. Funds are provided for projects and programs that maintain critical services, and this budget addresses the 2025-2030 Strategic Plan goals. The Authority pledges to remain vigilant in maintaining water quality and gaining efficiencies in operations, as economic uncertainty continues.

The proposed budget funds all programs, and the 2025-2026 CIP, but at a deficit. The budget is balanced with the use of reserves. This is a stop gap measure until additional funding can be obtained through Federal and State grant processes. The Authority will again need to review our current Utility Rates, and whether they are sufficient to meet ongoing operational challenges.

Lastly, I would like to thank our staff, whose efforts went into the production of this budget.

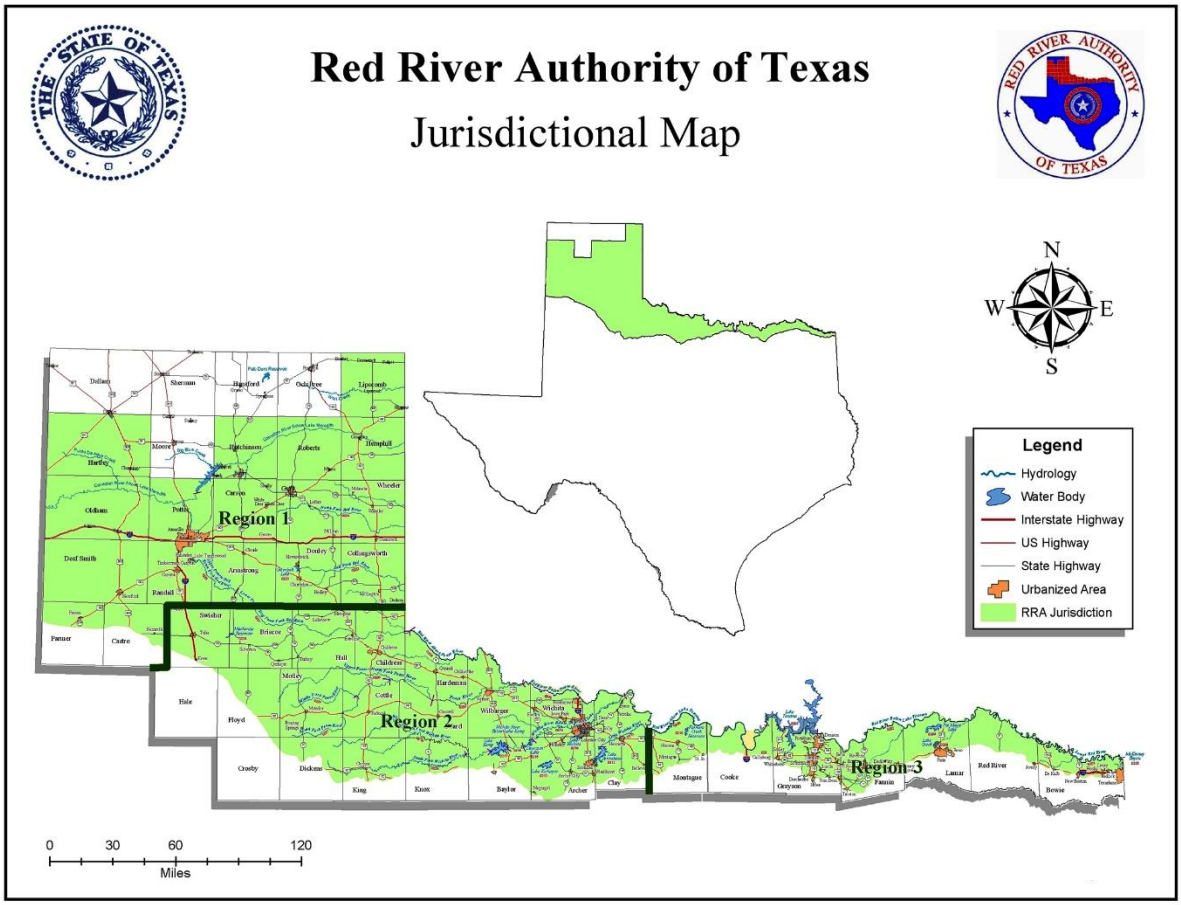
Respectfully submitted for your approval,

_____

Fabian Heaney, General Manager

BACKGROUND

The Red River Authority of Texas (Authority) was created in 1959 by acts of the 56th Legislature as a conservation a reclamation district, a political subdivision of the state, a body politic and corporate under Article 8280-228 VATCS and Article XVI, Section 59 of the Texas Constitution. The Authority was charged by the legislature with the optimum development of the water resources within the Red River Basin in Texas for beneficial use by the public.



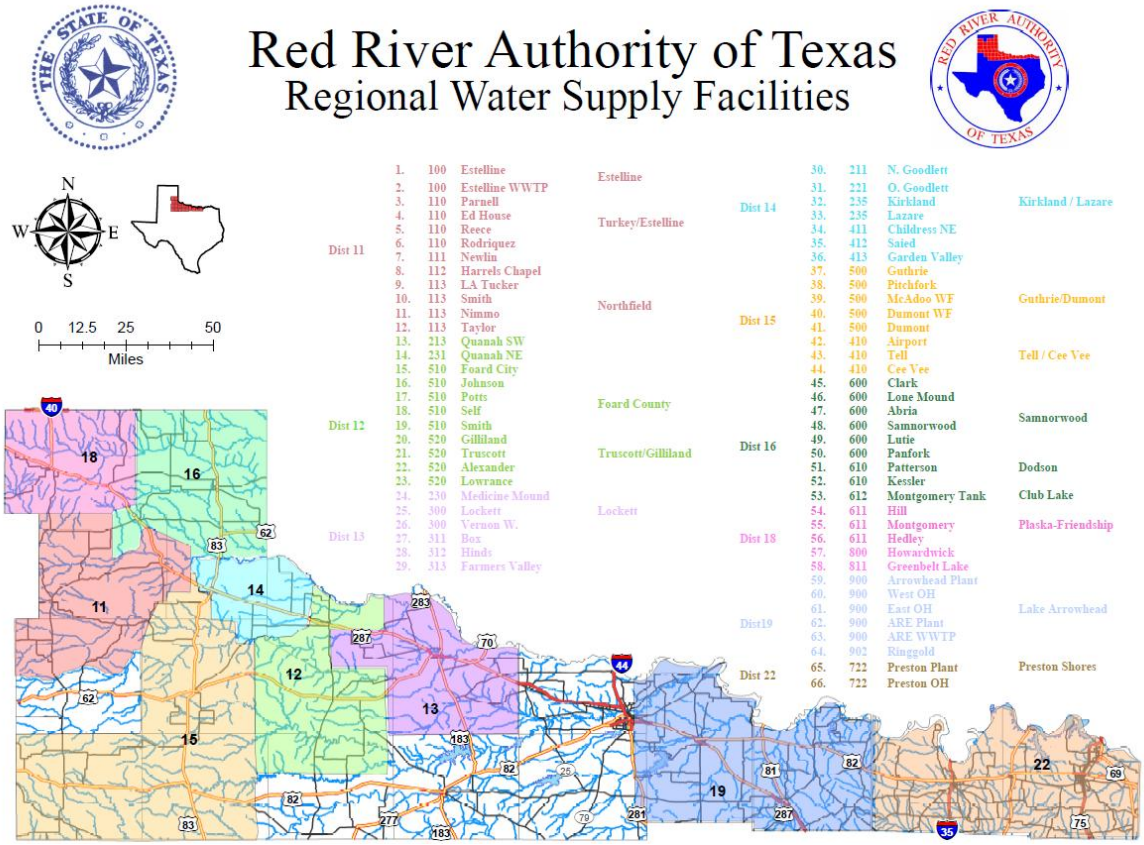
As the second longest river in the State of Texas, the Red River Basin includes all or parts of 43 counties across North Texas. The Red River is an interstate water body that originates in Curry County, New Mexico as Tierra Blanca Creek, and flows across the Texas Panhandle, carving the spectacular Palo Duro Canyon of the High Plains. It then leaves the Caprock Escarpment near the eastern boundary of Childress County, where the south bank of the river becomes the boundary between Texas and Oklahoma. It continues its southeasterly direction across Texas into southwestern Arkansas, then turns south into Louisiana, where it discharges into the Mississippi River near Simmesport, Louisiana.

BASIS OF PRESENTATION

This Consolidated Annual Operating Budget provides a summarized description of combined revenues versus expenditures by Division for a comparison of the previous fiscal year operations to the ensuing fiscal year. It is based on actual and projected cash transactions, and presented with the intent of providing an overall financial operating forecast of the Authority. The Authority's accounting system consists solely of six proprietary funds, which are further divided into two major enterprise funds, two minor enterprise funds, and two internal service funds.

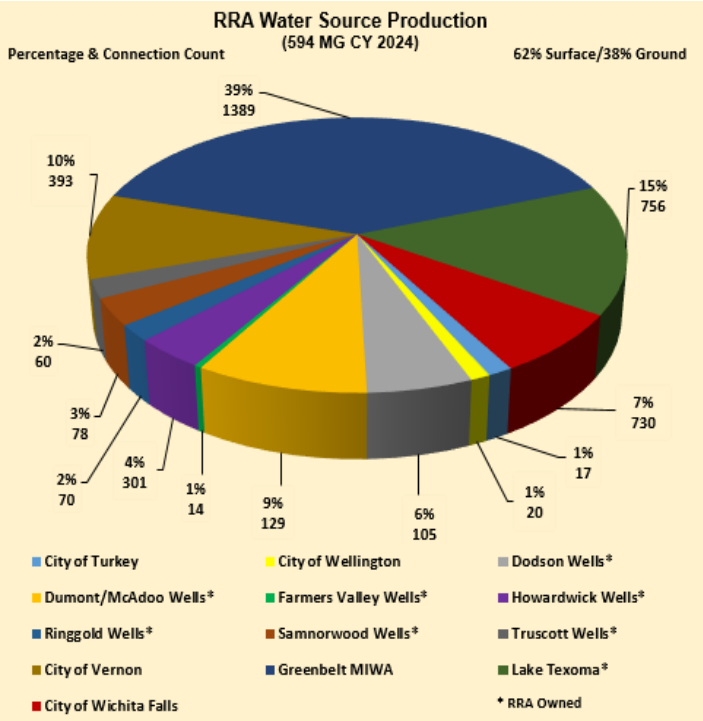
MAJOR ENTERPRISE FUNDS identify the total direct and indirect costs to provide a service, including the sources and amount of revenue that support that service for which a fee is charged. Direct costs generally consist of personnel services, expenses and capital expenditures, which are budgeted and accounted for in each enterprise fund. Indirect costs are expenditures budgeted and accounted for in the internal services funds on behalf of the enterprise funds. Examples of indirect costs are costs for accounting, collections, and legal fees. The two major enterprise funds are the **Utility Division Fund** and the **Environmental Services Division Fund**.

Utility Division Fund: The Utility Division consists of 30 individual rural water supply systems, which serve approximately 10,000 people over a 15-county geographical area.



In addition to the water systems, the Utility Division operates two individual wastewater treatment plants, and three wastewater collection systems serving approximately 400 people located within the service area.

The Utility Division utilizes water for distribution to its water systems from two basic sources: surface water (lakes) and groundwater (wells). Raw water, treated water, or a combination of both is utilized by the Authority to serve its customers. The water is either produced by the Authority, or purchased from other sources. Surface water is treated by the Authority from one reservoir, Lake Texoma, in Grayson County. Groundwater is produced from various formations through Authority-owned or leased water supply well fields, where it is treated and distributed to customers. Formations include the Ogallala Aquifer in Dickens, Donley, and Collingsworth Counties, the Brazos River Alluvium Aquifer in Dickens County, the Seymour Aquifer in Knox, Hardeman and Wilbarger Counties, and the Cross Timbers Aquifer in Montague County. The graph displays the water source production for all of the Authority's water systems.



Revenues for the Utility Division are generated from an all-systems-wide user rate. The rate is set by the Board of Directors on a cash basis, utilizing the system's financial position to determine the revenue needed to recover the actual operating costs, debt services, and targeted return on investment (ROI).

Water Revenue Bonds were issued in June 2017 for capital improvements in the Utility Division, and according to the bond ordinance, adequate user fees and charges are to be levied to pay all operating costs and retire the bonded indebtedness. The fees and charges for services provided through the Utility Division are recorded as revenue.

Environmental Services Division Fund: The Environmental Services Division's (ESD) principal purpose is to investigate, control, and abate any possible sources of pollution found to be contaminating the receiving waters of the Red River or its tributaries.

Additionally, the ESD conducts periodic investigations to establish the best resource management practices and controls to maintain and improve the quality of the water resources for the beneficial use of the public, and respond to complaints from the public concerning possible contamination of the environment.

The ESD also operates a laboratory under the National Environmental Laboratory Accreditation Program, as administered by the Texas Commission on Environmental Quality, to provide scientifically defensible analytical data to its clients. In addition to providing chemical and bacteriological analysis of water, wastewater, and soil in support of the Authority's environmental services and utility activities, the ESD laboratory provides analytical services to other federal and state agencies, cities, industries, and individuals throughout the Red River Basin in Texas and Oklahoma.

Operating funds for the ESD laboratory are provided through charges for services and analytical fees, as adopted annually by the Board of Directors.

MINOR ENTERPRISE FUNDS: Minor Enterprise Funds only generate revenue when the fund is utilized. The two minor enterprise funds are the **Direct Financing Arrangements Fund** and the **Red River Industrial Development Authority Fund**.

Direct Financing Arrangements Fund: In performing Direct Financing Arrangements, the Authority acts as an agent or intermediary for obtaining tax-exempt financing of water, wastewater, or pollution control facilities for third parties. The Authority does not operate or maintain these facilities, and only receives fees at the time of issuance of bonded indebtedness. Management fees are received on an annual basis for assistance in handling the arrangements, which constitute a receivable to the Authority. When these fees are received, they are recorded as revenue. The bonds are regarded as debts and responsibilities of third parties on whose behalf they were issued. Since the debt is the sole obligation of the entity to which bonds were issued, the transaction is excluded from the Authority's financial statements, except for the contract receivable due the Authority. There are currently no projects under this fund.

Red River Industrial Development Authority (RRIDA) Fund: The RRIDA was authorized by the Board of Directors in July 1979 under the terms of the Texas Development Corporation Act of 1979. The Red River Industrial Development Authority is a separate entity of the Red River Authority of Texas, and is authorized to act on behalf of the Authority for the specific purpose of promoting economic development of commercial, industrial, and manufacturing enterprises for public welfare within the geographical confines of the Red River Basin in Texas. There are currently no projects under this fund.

INTERNAL SERVICE FUNDS: Internal Service Funds provide goods and services to the Enterprise Funds, and each other. The two Internal Service Funds are the **General Services Division** and **Communications Division**.

General Services Division: The General Services Division is designated to function as the chief executive branch of the Authority, and is directed to carry out the policies sanctioned by the Board of Directors to achieve the purpose for which the Authority was created. It provides administration, planning, engineering, data processing, billing, accounting, human resources, and information management internally to other Divisions, and externally to outside entities.

Communications Division: The principal purpose of the Communications Division is to provide all Authority personnel with the necessary means of obtaining voice contact with the main office and each other during the course of conducting various business activities, and for safety purposes.

Additionally, the Communications Division provides a means to alert the key management personnel within the Utility Division of any malfunctions of facilities within their service area.

Revenue for the Communications Division derives primarily from contract leasing of communication facilities from various outside entities.

METHOD OF BUDGET PREPARATION

The operating budget is prepared using a comparison analysis of each fund's fiscal operating experience with respect to audited financial data. Seven months of actual data is extrapolated into the future to project the remainder of the fiscal year. In addition, the actual preceding twelve-month data is reviewed to identify any trends not recognized by the extrapolation. The resulting twelve month estimated actual is then adjusted to reduce or add line-item revenues or expenditures expected to occur during the new budget model, thereby providing the budgeted forecast for the ensuing fiscal year. Care is taken to address seasonal entries, anomalies and one- time only entries in extrapolating the remaining five months of the year. The budget is expected to fall within a ten percent variance of the actual fiscal operations.

The operating budget does not reflect possible income from bond issuance fees or grants awarded, as these are never a certainty. The fees and grants are recorded in the current year once they have been received, and the increase in annual maintenance fees in the Direct Financing Arrangements Fund are budgeted for the next fiscal year.

Long Term Capital Expenditures

Several systems within the Utility Division are proposed to receive capital funding for component repair and replacement of identified infrastructure during the ensuing year. Long Term capital funding is financed through a $15,000,000 bond issued in June 2017, grants, and Authority reserves. The affected systems include:

System	Long Term Capital Expenditures	Estimated Cost
113	• Carey System Improvements (Federal Grant)	476,000
300	• Lockett Tower and 8" Pipeline (State Grant)	2,464,000
300	• Lockett Pump Station (Federal Grant)	1,000,000
	Grant Total	**$ 3,940,000**
300	• Lockett Install 20 miles of 4" & 6" water line HDPE (Budgeted)	400,000
300	• Lockett Tower and 8" Pipeline (Reserves)	465,000
300	• Lockett Pump Station (RRA Match, Reserves)	250,000
113	• Carey System Improvements (RRA Match, Budgeted)	119,000
520	• Truscott Gilliland System Improvements (Reserves)	750,000
722	• Preston Shores, Generator & Station Improvements (Bond)	248,000
902	• Ringgold Pump Station, Pressure Tank, Well, and GST (Bond)	200,000
	RRA Total	**$ 2,432,000**
	Grand Total	**$ 6,372,000**

Short Term Capital Expenditures by Division

Short Term capital funding is proposed to be funded with current year revenues. Short Term capital projects or items are depreciated over their useful life.

Utility Division

•	Various Line Replacements	50,000
•	3 Replacement ¾ Ton Vehicles and peripherals	200,000
•	Excavator	130,000
•	UTV or ATV	18,000
•	Construction Lockable Storage	6,000
•	Rock / Gravel Main Office Equipment Parking	10,000
•	SCADA System Expansion and Improvements	50,000
•	GIS Mapping	60,000
•	GIS Mapping Data Collection Equipment	12,000
•	Master Meter Replacement	50,000
•	LAS System Components	50,000
	Sub Total	**$ 636,000**

Environmental Services Division

•	Trilogy Fluorometer	8,951
•	Seal BD50 Block Digestion System	8,830
	Sub Total	**$ 17,781**

Short Term Capital Expenditures by Division, continued

General Division

•	Main Office Maintenance and Improvements		35,000
•	ArcGIS Software Upgraded, Annual Subscription		6,000
•	Computers and Associated Equipment		12,000
•	Office 365 New Annual Subscription		11,000
•	Office 365 Government Cloud Implementation		12,000
	Sub Total	**$**	**76,000**
	Total	**$**	**729,781**

CONCLUSION

This Consolidated Annual Operating Budget provides a summarized projected Fiscal Year 2025-2026 revenues versus expenditures by Division. It also provides a comparison to the actual previous fiscal year revenues versus expenditures. It is based on actual and projected cash transactions, and presented with the intent of providing an overall financial operating forecast of the Authority.

Using the FY 2024-2025 budgeted numbers, the proposed Fiscal Year 2025-2026 Consolidated Annual Operating Budget reflects an overall decrease in projected revenues of $1.7 million with 1.4 million of that decrease coming from removing the grant award from the budget until it is received. Therefore, the decrease in revenues for FY25-26 is much smaller than it appears. In addition, there is an overall projected decrease in combined expenditures in the amount of $724,002. The majority of the decrease is due to the reduction of the retirement contributions, and a decrease in the interest expense.

Please refer to the attached supporting schedules for detailed representation of projected revenues and expenditures on a per-fund basis for conformity to reporting, in accordance with Generally Accepted Accounting Principles for governmental units.

Staff have continued to address the Board's directives for transparency and accountability. We provided additional information, and have utilized percentages to highlight trends and patterns in the data. All of these efforts make the information more readily available and understandable for our customers. I appreciate the support and guidance that the Finance Committee has provided both to me and staff as we developed this year's budget. I look forward to working with them in future years.

Crystal Santos
Controller

Date

SUPPORTING SCHEDULES

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET
FISCAL YEAR 2025-2026

Schedule of Combined Divisions

	FY 2024-2025 Budgeted	FY 2024-2025 Current YTD	FY 2024-2025 Projected EOY	FY 2025-2026 Budgeted
Revenues:				
General Services Division	$ 402,060	$ 159,223	$ 241,591	$ 608,074
Environmental Services Division	1,158,486	609,983	1,086,349	1,050,000
Communications Division	153,230	39,068	153,785	139,000
Utility Division	10,500,264	4,685,746	8,557,050	8,692,413
Total Revenues	**12,214,040**	**5,494,020**	**10,038,775**	**10,489,487**
Expenses:				
General Services Division	1,567,598	696,287	1,193,636	1,597,232
Environmental Services Division	1,154,838	621,244	1,064,990	1,037,231
Communications Division	15,589	9,682	16,598	16,337
Utility Division	7,793,665	4,033,948	7,118,540	7,156,887
Total Expenses	**10,531,690**	**5,361,162**	**9,393,764**	**9,807,688**
Excess or (deficit)	**$ 1,682,350**	**$ 132,858**	**$ 645,011**	**$ 681,800**

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET
FISCAL YEAR 2025-2026

Statement of Combined Divisions

	FY 2024-2025 Budgeted	FY 2024-2025 Current YTD	FY 2024-2025 Projected EOY	FY 2025-2026 Budgeted
Operating revenues:				
Water and sewer sales	$ 8,402,357	$ 4,303,121	$ 7,901,121	$ 8,115,000
Charges for materials and services	1,485,046	625,926	1,200,491	1,494,013
Administrative fee income	-	-	-	-
Grant Revenue	1,476,000	-	-	-
Other income	441,394	201,754	345,865	349,000
Total operating revenues:	**11,804,798**	**5,130,802**	**9,447,476**	**9,958,013**
Operating expenses:				
Water purchases	1,523,454	725,512	1,243,735	1,255,000
Personnel services	4,017,285	1,907,552	3,504,651	3,543,824
Administrative costs	184,527	112,523	192,896	202,300
Utilities, supplies and maintenance	2,038,993	1,116,557	1,914,098	1,959,111
Insurance	148,139	151,109	259,045	285,473
Automobile and travel	503,204	271,374	465,213	472,350
Professional and directors fees	290,114	43,943	75,330	360,600
Research expense	-	-	-	-
Bad debt	54,965	21,609	37,044	40,000
Total operating expenses:	**8,760,681**	**4,350,179**	**7,692,012**	**8,118,658**
Operating income (loss) before deprec.	3,044,117	780,623	1,755,465	1,839,355
Depreciation	(1,263,900)	(716,836)	(1,228,861)	(1,203,523)
Operating income (loss)	1,780,217	63,787	526,604	635,831
Non-operating revenues (expenses):				
Interest income	409,242	359,439	616,180.63	531,474
Gain on sale of assets	-	3,780	6,480	-
Interest expense	(473,045)	(275,853)	(472,891)	(454,006)
Allocated Administrative Fees	(34,064)	(18,294)	(31,362)	(31,500)
	(97,866)	69,071	118,408	45,968
Income (loss) before operating transfers	1,682,350	132,858	645,011	681,800
Operating transfers in (out)	-	-	-	-
Net income (loss)	**$ 1,682,350**	**$ 132,858**	**$ 645,011**	**$ 681,800**

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET
FISCAL YEAR 2025-2026

Statement of Combined Divisions

GENERAL SERVICES DIVISION 011

	FY 2024-2025 Budgeted	FY 2024-2025 Current YTD	FY 2024-2025 Projected EOY	FY 2025-2026 Budgeted	Percent Change
Operating revenues:					
Water and sewer sales	-	-	-	-	0.00%
Charges for materials and services	208,098	-	-	335,213	61.08%
Administrative fee income	-	-	-	-	0.00%
Grant Revenue	-	-	-	-	0.00%
Other income (RWPG)	-	2,970	5,092	5,000	100.00%
Total operating revenues:	**208,098**	**2,970**	**5,092**	**340,213**	
Operating expenses:					
Water purchases	-	-	-	-	0.00%
Personnel services	974,321	446,906	766,125	875,869	-10.10%
Administrative costs	48,679	46,299	79,370	80,000	64.34%
Utilities, supplies and maintenance	173,006	99,887	171,235	171,853	-0.67%
Insurance	27,539	25,795	44,221	48,643	76.63%
Automobile and travel	16,344	12,385	21,231	22,800	39.50%
Professional and directors fees	289,708	42,998	73,710	359,000	23.92%
Research expense	-	-	-	-	0.00%
Bad debt	-	-	-	-	0.00%
Total operating expenses:	**1,529,598**	**674,271**	**1,155,892**	**1,558,165**	
Operating income (loss) before deprec.	(1,321,500)	(671,300)	(1,150,800)	(1,217,952)	
Depreciation	(38,000)	(22,017)	(37,743)	(39,067)	2.81%
Operating income (loss)	(1,359,500)	(693,317)	(1,188,544)	(1,257,019)	
Non-operating revenues (expenses):					
Interest income	193,962	156,252	267,861	267,861	38.10%
Gain on sale of assets	-	-	-	-	0.00%
Interest expense	-	-	-	-	0.00%
Allocated Administrative Fees	-	-	-	-	0.00%
	193,962	156,252	267,861	267,861	
Income (loss) before operating transfers	(1,165,538)	(537,065)	(920,682)	(989,158)	
Operating transfers in (out)	-	-	-	-	
Net income (loss)	**(1,165,538)**	**(537,065)**	**(920,682)**	**(989,158)**	-15.13%

Main Office Maintenance and Improvements	35,000
ArcGIS Software Upgraded, annual subscription	6,000
Computers and associated equipment	12,000
Office 365 New Annual Subscription	11,000
Office 365 Government cloud implementation	12,000
	-
Subtotal:	**76,000**
Net Income less budget line items:	**(1,065,158)**

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET
FISCAL YEAR 2025-2026

Statement of Combined Divisions

ENVIRONMENTAL SERVICES DIVISION 079

	FY 2024-2025 Budgeted	FY 2024-2025 Current YTD	FY 2024-2025 Projected EOY	FY 2025-2026 Budgeted	Percent Change
Operating revenues:					
Water and sewer sales	-	-	-	-	0.00%
Charges for materials and services	1,155,448	610,013	1,086,400	1,050,000	-9.13%
Administrative fee income	-	-	-	-	0.00%
Grant Revenue	-	-	-	-	0.00%
Other income (CRP)	-	(30)	(51)	-	0.00%
Total operating revenues:	**1,155,448**	**609,983**	**1,086,349**	**1,050,000**	
Operating expenses:					
Water purchases	-	-	-	-	0.00%
Personnel services	506,758	294,112	504,193	446,951	-11.80%
Administrative costs	22,689	7,494	12,847	14,150	-37.64%
Utilities, supplies and maintenance	559,992	270,282	463,341	488,000	-12.86%
Insurance	20,147	16,208	27,786	30,800	52.88%
Automobile and travel	20,845	18,964	32,510	33,300	59.75%
Professional and directors fees	407	330	566	600	100.00%
Research expense	-	-	-	-	0.00%
Bad debt	-	-	-	-	0.00%
Total operating expenses:	**1,130,838**	**607,391**	**1,041,242**	**1,013,801**	
Operating income (loss) before deprec.	24,610	2,592	45,107	36,199	
Depreciation	(24,000)	(13,853)	(23,749)	(23,430)	-2.38%
Operating income (loss)	610	(11,261)	21,358	12,769	
Non-operating revenues (expenses):					
Interest income	3,038	-	-	-	0.00%
Gain on sale of assets	-	-	-	-	0.00%
Interest expense	-	-	-	-	0.00%
Allocated Administrative Fees	-	-	-	-	0.00%
	3,038	-	-	-	
Income (loss) before other revenues	3,648	(11,261)	21,358	12,769	
Grant revenue for asset purchases	-	-	-	-	
Net income (loss)	**3,648**	**(11,261)**	**21,358**	**12,769**	**249.99%**

	-
Trilogoy Fluorometer	8,951
Seal BD50 Block Digestion System	8,830
Subtotal:	**17,781**
Net Income less budget line items:	**(5,012)**

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET
FISCAL YEAR 2025-2026

Statement of Combined Divisions

COMMUNICATIONS DIVISION 081

	FY 2024-2025 Budgeted	FY 2024-2025 Current YTD	FY 2024-2025 Projected EOY	FY 2025-2026 Budgeted	Percent Change
Operating revenues:					
Water and sewer sales	-	-	-	-	0.00%
Charges for materials and services	110,000	1,860	90,000	93,000	-15.45%
Administrative fee income	-	-	-	-	0.00%
Grant Revenue	-	-	-	-	0.00%
Other income	-	-	-	-	0.00%
Total operating revenues:	**110,000**	**1,860**	**90,000**	**93,000**	
Operating expenses:					
Water purchases	-	-	-	-	0.00%
Personnel services	-	-	-	-	0.00%
Administrative costs	-	-	-	-	0.00%
Utilities, supplies and maintenance	13,452	8,466	14,513	14,700	9.28%
Insurance	237	147	253	330	39.23%
Automobile and travel	-	-	-	-	0.00%
Professional and directors fees	-	-	-	-	0.00%
Research expense	-	-	-	-	0.00%
Bad debt	-	-		-	0.00%
Total operating expenses:	**13,689**	**8,613**	**14,765**	**15,030**	
Operating income (loss) before deprec.	96,311	(6,753)	75,235	77,970	
Depreciation	(1,900)	(1,069)	(1,832)	(1,307)	-31.21%
Operating income (loss)	94,411	(7,822)	73,402	76,663	
Non-operating revenues (expenses):					
Interest income	43,230	37,208	63,785	46,000	6.41%
Gain on sale of assets	-	-	-	-	0.00%
Interest expense	-	-	-	-	0.00%
Allocated Administrative Fees	-	-	-	-	0.00%
	43,230	37,208	63,785	46,000	
Income (loss) before operating transfers	137,641	29,386	137,188	122,663	
Operating transfers in (out)	-	-	-	-	
Net income (loss)	**137,641**	**29,386**	**137,188**	**122,663**	-10.88%

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET
FISCAL YEAR 2025-2026

Statement of Combined Divisions

UTILITY DIVISION 11-22

	FY 2024-2025 Budgeted	FY 2024-2025 Current YTD	FY 2024-2025 Projected EOY	FY 2025-2026 Budgeted	Percent Change
Operating revenues:					
Water and sewer sales	8,402,357	4,303,121	7,901,121	8,115,000	-3.42%
Charges for materials and services	11,500	14,053	24,091	15,800	37.39%
Administrative fee income (Late Fees)	-	-	-	-	0.00%
Grant Revenue	1,476,000	-	-	-	0.00%
Other income	441,394	198,814	340,824	344,000	-22.07%
Total operating revenues:	**10,331,252**	**4,515,988**	**8,266,036**	**8,474,800**	
Operating expenses:					
Water purchases	1,523,454	725,512	1,243,735	1,255,000	-17.62%
Personnel services	2,536,206	1,166,533	2,234,333	2,221,004	-12.43%
Administrative costs	113,159	58,730	100,680	108,150	-4.43%
Utilities, supplies and maintenance	1,292,543	737,922	1,265,009	1,284,558	-0.62%
Insurance	100,216	108,958	186,785	205,700	100.00%
Automobile and travel	466,014	240,025	411,471	416,250	-10.68%
Professional and directors fees	-	615	1,054	1,000	100.00%
Research expense	-	-	-	-	0.00%
Bad debt	54,965	21,609	37,044	40,000	-27.23%
Total operating expenses:	**6,086,556**	**3,059,904**	**5,480,112**	**5,531,662**	
Operating income (loss) before deprec.	4,244,695	1,456,084	2,785,924	2,943,138	
Depreciation	(1,200,000)	(679,897)	(1,165,537)	(1,139,719)	-5.02%
Operating income (loss)	3,044,695	776,187	1,620,387	1,803,419	
Non-operating revenues (expenses):					
Interest income	169,012	165,978	284,534	217,613	28.76%
Gain on sale of assets	-	3,780	6,480	-	0.00%
Interest expense	(473,045)	(275,853)	(472,891)	(454,006)	-4.02%
Allocated Administrative Fees	(34,064)	(18,294)	(31,362)	(31,500)	-7.53%
	(338,097)	(124,390)	(213,239)	(267,893)	
Income (loss) before operating transfers	2,706,598	651,798	1,407,148	1,535,526	
Transfers	-	-	-	-	
Loss on Abandonment	-	-	-	-	
Net income (loss)	**2,706,598**	**651,798**	**1,407,148**	**1,535,526**	**-43.27%**

	-
Replacement of three vehicles	200,000
Excavator	130,000
UTV or ATV	18,000
Construction Lockable Storage	6,000
Rock/ Gravel Main Office Equipment Parking	10,000
SCADA System Expansion and Improvements	50,000
GIS Mapping	60,000
GIS Mapping Data Collection Equipment	12,000
Master Meter Replacement	50,000
LAS System Components	50,000
Carey System Improvements	119,000
-	-
Subtotal:	**705,000**
Net Income less budget line items:	**830,526**

Bond Principal Repayment for FY25-26 will be $428,600 Maturities, $454,006 for Interest for a total of $882,606.

TREATED WATER AND SEWER RATES

Residential Water*

RESIDENTIAL RATES							
Minimum Monthly Charge is $103.00 and includes 2,000 gallons							
Meter Size: 5/8" Base							
GALLONAGE CHARGE:							
TIER	VOLUME				CHARGE		
Tier 1	2,001	to	10,000	gals.	$	7.00	/1000 gals.
Tier 2	10,001	to	20,000	gals.	$	9.00	/1000 gals.
Tier 3	20,001	to	30,000	gals.	$	11.00	/1000 gals.
Tier 4	30,001	to	50,000	gals.	$	13.00	/1000 gals.
Tier 5	50,001	to	Infinity	gals.	$	15.00	/1000 gals.

Commercial Water*

COMMERCIAL RATES							
Minimum Monthly Charge is $114.50 and includes Zero gallons							
Meter Size: 3/4" Base Equivalency See Equivalency Table for Other Size Charges							
GALLONAGE CHARGE:							
TIER	VOLUME				CHARGE		
Tier 1	ZERO	to	2,000	gals.	$	8.00	/1000 gals.
Tier 2	2,001	to	10,000	gals.	$	9.00	/1000 gals.
Tier 3	10,001	to	20,000	gals.	$	11.00	/1000 gals.
Tier 4	20,001	to	30,000	gals.	$	13.00	/1000 gals.
Tier 5	30,001	to	50,000	gals.	$	15.00	/1000 gals.
Tier 6	50,001	to	Infinity	gals.	$	17.00	/1000 gals.

Sewer*

Monthly Rate: $59.75 (only for those with sewer services)

*A late fee in the amount of 10% of the monthly account statement will be assessed against an account for the statement not being paid in full by 5:00 PM on the 16th day after issuance, subject to rule.

The rates are based on all treated water and sewer systems combined within the Utility Division in order to maintain adequate bond coverage ratios. The rates are designed to provide the revenues needed to recover the cost of operating and pay the debt service, and are from the 2022 Utility Division Rate Study.

OTHER RATES

Raw, Wholesale, and Transient water rates, and commercial and industrial sewer rates are designed to provide the revenues needed to recover the costs of acquiring water rights, and ongoing participation in the operation and maintenance of reservoirs, well fields, sewer plants, or other related infrastructure.

These rates are negotiated individually on a contractual basis as permitted by the General Manager.

COMMERCIAL METER EQUIVALENCY TABLE

The Red River Authority of Texas (the Authority) assesses a base availability charge on all accounts. The availability charge is calculated using the AWWA factor based table (Table 1), with the equivalency of the Authority's commercial ¾" meter. The ¾ Factor will multiplied by the base monthly account charge of $114.50 to arrive at the equivalent monthly charge for that size meter.

Table 1

Meter Size	AWWA (capacity)	Factor Based on 3/4	Base Charge
3/4 inch (or 5/8)	30	1.00	$114.50
1 inch	50	1.67	$191.25
1-1/2 inch	100	3.33	$381.30
2 inch	160	5.33	$610.30
3 inch	300	10.00	$1,445.00
4 inch	500	16.67	$1,909.00
6 inch	1,000	33.33	$3,817.00

Base Charges (Contract)

Backhoe	(per hour, 2 hours min)	$155.00
Tractor	(per hour, 2 hours min)	61.50
Technician Time*	(per hour, 2 hours min)	46.00
Travel Time*	(per hour, 2 hours min)	46.00
Welder, Mower, or ATV	(per hour, 2 hours min)	51.20
1/2 Ton Truck	(per mile)	1.15
3/4 Ton Truck	(per mile)	1.66
1 Ton Truck	(per mile)	2.16
T370 Truck & Trailer	(per mile)	3.32

* All after-business-hours' time will be assessed at a rate of cost plus 50%.
* All contracted work will be assessed with a 15% contingency

Residential Tap Fees

Water Short Tap	Less than 10 feet from main	$1,893.00
Sewer Short Tap (gravity)	Less than 10 feet from main	568.00
Sewer Short Tap (pressure)	Less than 10 feet from main	2,500.00

Commercial Tap Fees

Short Tap	Less than 10 feet from main	$1,919.00
Sewer Short Tap	Less than 10 feet from main	568.00
Sewer Short Tap (pressure)	Less than 10 feet from main	2,500.00

Miscellaneous Fees and Charges

Residential Connect (any new contract)	$335.00
Commercial Connect (any new contract)	450.00
Residential Reconnect	100.00
Commercial Reconnect	200.00
Return Check Charge	25.00
Water or Sewer Service Charge/Call per hour (includes meter data log)	45.00
Meter Accuracy Test (send out other than on-site test)	100.00
Customer Service Valve	60.00
Customer Service Inspection Fee	75.00
Automated Meter Replacement (customer damage)	275.00
Meter Box Replacement	150.00
Transient Meter Fee (fire hydrant meter)	500.00

* All subcontracted work will be assessed a rate of cost plus 20%.

RED RIVER AUTHORITY OF TEXAS

Environmental Services Laboratory

Price List

Effective October 1, 2025

General Chemical Analyses

Alkalinity, Total	$37.00
Ammonia, Nitrogen	$37.00
BOD_5	$56.00
$CBOD_5$	$56.00
COD	$47.00
Chloride	$42.00
Chlorite	$42.00
Chlorophyll-*a* / Pheophytin*	$51.00
Conductivity	$28.00
Nitrate	$42.00
Nitrate+Nitrite	$89.00
Nitrite	$42.00
Oil & Grease	$110.00
pH	$18.00
Phosphorus, Total	$48.00
Phosphorus Low-Level, Total	$89.00
Sulfate	$42.00
Temperature*	$18.00
Total Dissolved Solids (TDS)	$37.00
Total Kjeldahl Nitrogen (TKN)	$89.00
Total Organic Carbon (TOC)	$50.00
Total Suspended Solids, (TSS / MLSS)	$37.00
Volatile Suspended Solids, (VSS / MLVSS)	$37.00
Turbidity	$26.00

**** Not available for NELAP accreditation through the Texas Commission on Environmental Quality (TCEQ)***

Microbiological Analyses

Coliform, Total (P/A - Colilert)	$22.00
E. coli (IDEXX-MPN)	$37.00
Enterococcus (IDEXX MPN)	$37.00

Auto-Sampling Services

Equipment Rental (per day)	$57.00
Labor (per hour)	$57.00
Mileage	$0.70

Miscellaneous Fees

Sample Filtration	$16.00
Calculation Fee	$75.00
Field Monitoring or Courier	Quote
Fax	$1.50
Copy Fee (black & white)	$0.17/page
Shipping Handling Fee	$5/customer shipment

Additional analyses not listed above are available for testing by quote.
All subcontracted tests will be charged at a rate of analytical test charge plus 20%.
Customer pays all subcontracted shipping, environmental fees, and cost differential from quote.
When available, after-hours services will be assessed at a rate of $57.00/hour for the technician in addition to the cost of analysis.

3000 Hammon Road, Wichita Falls, Texas 76310
Phone Number: (940) 723-1717 Fax Number: (940) 723-6529 Emergency Number: (940) 636-8024

RED RIVER AUTHORITY OF TEXAS

HOLIDAY SCHEDULE AND REGULARLY SCHEDULED BOARD MEETINGS FOR FISCAL YEAR 2025-2026

The Red River Authority of Texas will be closed for these Observed Holidays:

Columbus Day	–	Monday, October 13, 2025
Thanksgiving	–	Thursday, November 27, 2025
Day After Thanksgiving	–	Friday, November 28, 2025
Christmas Eve	–	Wednesday, December 24, 2025
Christmas Day	–	Thursday, December 25, 2025
New Year's Day	–	Thursday, January 1, 2026
Martin Luther King, Jr. Day	–	Monday, January 19, 2026
Presidents Day	–	Monday, February 16, 2026
Good Friday	–	Friday, April 3, 2026
Memorial Day	–	Monday, May 25, 2026
Juneteenth	–	Friday, June 19, 2026
Independence Day (Observed)	–	Friday, July 3, 2026
Labor Day	–	Monday, September 7, 2026

Regularly Scheduled Board of Directors Meeting Dates

January 20, 2026 – Executive Committee Meeting

January 21, 2026 – Board of Directors Meeting

April 15, 2026 – Board of Directors Meeting

July 15, 2026 – Board of Directors Meeting

September 16, 2026 – Board of Directors Meeting

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 8

Receive a Recommendation from the Finance Committee and Consider Approval of Resolution No. 2025-012, Adopting the Consolidated Annual Operating Budget for Fiscal Year 2025-2026, Including the Fee Schedules, Calendar, and Take Any Other Action Deemed Necessary.

The Board will receive a recommendation from the Finance Committee on adopting the Consolidated Annual Operating Budget for Fiscal Year 2025-2026, including the fee schedules and calendar.

Sample Motion:

I move the Board to approve Resolution No. 2025-012, Adopting the Consolidated Annual Operating Budget for Fiscal Year 2025-2026, Including the Fee Schedules, Calendar, as presented.

Second _____

Vote for _____ against _____.

RED RIVER AUTHORITY OF TEXAS

R E S O L U T I O N
No. 2025-012

STATE OF TEXAS §

COUNTY OF WICHITA §

A RESOLUTION OF THE BOARD OF DIRECTORS ADOPTING THE CONSOLIDATED ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2025-2026.

The RED RIVER AUTHORITY OF TEXAS specifically finds that:

WHEREAS, the Red River Authority of Texas Board of Directors adopts an annual operating budget to be used by the Authority to fund the implementation of the policies and initiatives for the fiscal year; and

WHEREAS, the Red River Authority of Texas includes all rates and fees charged by the Red River Authority of Texas in the Consolidated Annual Operating Budget for Fiscal Year 2025-2026; and

WHEREAS, management has worked with each of the Red River Authority of Texas Divisions to establish the projected revenue and expenditures for each Division for inclusion in the Consolidated Annual Operating Budget for Fiscal Year 2025-2026; and

WHEREAS, the Controller has reviewed the budget worksheets submitted by the Divisions and has prepared a Consolidated Annual Operating Budget for Fiscal Year 2025-2026 for review and adoption by the Board of Directors; and

NOW, THEREFORE, it is hereby resolved that the Red River Authority of Texas' Consolidated Annual Operating Budget for Fiscal Year 2025-2026 be adopted effective October 1, 2025, by the Red River Authority Board of Directors.

PASSED AND APPROVED this the 17th day of September, 2025, at a regularly scheduled meeting of the Board of Directors by a vote of ____ **FOR** and ____ **AGAINST**.

Jerry Bob Daniel
President

Tonya D. Detten
Assistant Secretary

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 9

Conduct an Executive Session of the Board of Directors, Pursuant to Government Code Section 551.072, Deliberation Regarding Real Property.

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 10

Take Any Action Deemed Necessary from the Executive Session, Pursuant to Government Code Section 551.072.

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2025

ITEM 11

Receive a Presentation from Assistant General Manager, Bryan Schaffner, on the Asset Management Plan 2025 for the Red River Authority of Texas, and Take Any Other Action Deemed Necessary.

Mr. Schaffner will provide an overview of the Asset Management Plan 2025.

2025

Asset Management Plan

Red River Authority of Texas

For Approval by the Board of Directors

September 17, 2025

Contents

Executive Summary

Infrastructure and Asset Management are critical to the sustainability of a utility. As analyzed in this Asset Management Plan (AMP), the infrastructure system for the Red River Authority of Texas (the Authority) comprises these asset classes: water systems, wastewater systems, support buildings and structures, and machinery and equipment. The asset classes analyzed in this asset management plan for the Authority had a total valuation of $172,023,428, of which the Water Systems comprised 89%, and the Wastewater Systems comprised 1.8%. The asset classes analyzed in the 2020 AMP had a total valuation of $118,727,838, of which the Water Systems comprised 91.6%, and the Wastewater Systems comprised 2.1%. The primary drivers in the difference between the 2020 and 2025 valuations were 24% inflation across the board, an approximate doubling of vehicle costs, increased water line construction costs, and substantial increases in tank costs.

This AMP details the state of infrastructure of the Authority's service areas, and provides asset management and financial strategies designed to facilitate its pursuit of developing an asset management program, to mitigate long-term funding gaps, and to ensure continued operation of the infrastructure.

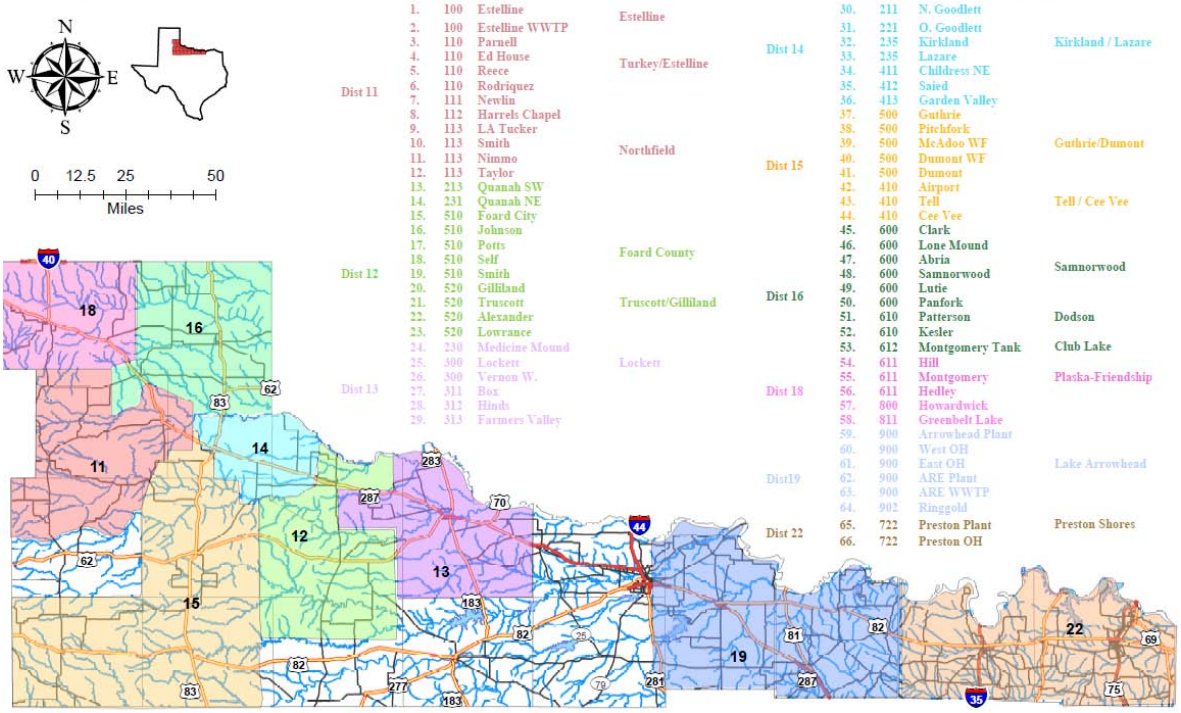
Major system investments were made in the 1970s Thirsty Water Program, as the Authority began to acquire and expand its water systems. In 2017, the Authority issued bonds in the amount of $15,130,000, with a heavy focus on water system regulatory compliance. Since 2020, $12.8 million has been invested as a direct result of the 2020 AMP.

Based on 2025 (2020) replacement costs, and the condition assessment, over 38% (43.9%) of assets, with a valuation of $26.4 ($19.3) million, are in good to very good condition; 22% (20.6%) are in poor to very poor condition, with a valuation of $106.5 ($75.3) million. The higher cost in the poor and very poor category is due to water lines that are beyond their useful life cycles. Roughly 20% (25%) of the assets, with a value of $27 ($21) million, analyzed have at least half the years of useful life remaining. However, 54% (42.8%), with a valuation of $128 ($80.1) million, remain in operation beyond their established useful life. Another 26% (17%) will reach the end of their useful life within the next five to ten years.

The average annual investment requirement for all asset classes in 2025 is $4.1 million, versus $3 million in 2020. The Authority will invest approximately $1.25 million in FY26, funding at approximately 30.5% of the annual requirement. The remainder represents the annual deficit, which will be funded by grants. The focus of this plan is restricted to capital expenditures, and does not capture operations and maintenance expenditures on infrastructure. Calculations and recommendations reflect the best available data at the time this AMP was developed.

The primary capital project sources of Authority revenue are obtained from water billing, bonds, and grants. In comparison, cities and towns may also collect revenue via taxation, impact fees, and leases. In order for an AMP to be effective, it must be integrated with financial planning and long-term budgeting. The development of a comprehensive financial plan will allow the Authority to identify the financial resources required for sustainable asset management based on existing asset inventories, desired levels of service, and projected growth requirements. The Authority's Finance Committee will analyze combinations of rate and debt funding scenarios. This Committee will give recommendations that avoid long-term funding deficits.

Red River Authority of Texas
Regional Water Supply Facilities



Dist 11	1.	100	Estelline	Estelline	Dist 14	30.	211	N. Goodlett	
	2.	100	Estelline WWTP			31.	221	O. Goodlett	
	3.	110	Parnell			32.	235	Kirkland	Kirkland / Lazare
	4.	110	Ed House	Turkey/Estelline		33.	235	Lazare	
	5.	110	Reece			34.	411	Childress NE	
	6.	110	Rodriquez			35.	412	Saied	
	7.	111	Newlin			36.	413	Garden Valley	
	8.	112	Harrels Chapel			37.	500	Guthrie	
	9.	113	LA Tucker			38.	500	Pitchfork	
	10.	113	Smith	Northfield		39.	500	McAdoo WF	Guthrie/Dumont
	11.	113	Nimmo		Dist 15	40.	500	Dumont WF	
	12.	113	Taylor			41.	500	Dumont	
	13.	213	Quanah SW			42.	410	Airport	
	14.	231	Quanah NE			43.	410	Tell	Tell / Cee Vee
	15.	510	Foard City			44.	410	Cee Vee	
	16.	510	Johnson			45.	600	Clark	
	17.	510	Potts	Foard County		46.	600	Lone Mound	
Dist 12	18.	510	Self			47.	600	Abria	Samnorwood
	19.	510	Smith			48.	600	Samnorwood	
	20.	520	Gilliland		Dist 16	49.	600	Lutie	
	21.	520	Truscott	Truscott/Gilliland		50.	600	Panfork	
	22.	520	Alexander			51.	610	Patterson	Dodson
	23.	520	Lowrance			52.	610	Kesler	
	24.	230	Medicine Mound			53.	612	Montgomery Tank	Club Lake
	25.	300	Lockett	Lockett		54.	611	Hill	
	26.	300	Vernon W.			55.	611	Montgomery	Plaska-Friendship
Dist 13	27.	311	Boy		Dist 18	56.	611	Hedley	
	28.	312	Hinds			57.	800	Howardwick	
	29.	313	Farmers Valley			58.	811	Greenbelt Lake	
						59.	900	Arrowhead Plant	
						60.	900	West OH	
						61.	900	East OH	Lake Arrowhead
					Dist19	62.	900	ARE Plant	
						63.	900	ARE WWTP	
						64.	902	Ringgold	
					Dist 22	65.	722	Preston Plant	Preston Shores
						66.	722	Preston OH	

Airport Pump Station – Rehabbed 2023

I. Introduction and Context

Texas is geographically the largest state in the contiguous US, with a large-scale infrastructure portfolio that is increasingly in need of maintenance. The asset portfolios managed by Texas Authorized Agencies are highly diverse. The Red River Authority is such an Agency as a political subdivision of the State of Texas. The Authority's capital assets portfolio, as analyzed in this Asset Management Plan (AMP), is valued at $172,023,428 using 2025 replacement costs. The Authority relies on these assets to provide customers, businesses, employees, and visitors with safe access to important services, such as water, sewer, and laboratory analyses. As such, it is critical that the Authority manage these assets optimally in order to produce the highest total value for rate payers. The AMP will assist the Authority in the pursuit of judicious asset management of its capital assets.

Main Headquarters, Wichita Falls

II. Asset Management

Asset management can be best defined as an integrated business approach within an organization with the aim of minimizing the lifecycle costs of owning, operating, and maintaining assets, at an acceptable level of risk, while continuously delivering established levels of service for present and future customers. It includes the planning, design, construction, operation, and maintenance of infrastructure used to provide services. By implementing asset management processes, infrastructure needs can be prioritized over time, while ensuring timely investments to minimize repair and rehabilitation costs, and maintain Authority assets.

Figure 1 - Objectives of Asset Management

Inventory	Capture all asset types, inventories, and historical data.
Current Valuation	Calculate current condition ratings and replacement values.
Lifecycle Analysis	Identify Maintenance and Renewal Strategies and Lifecycle Costs.
Service Level Targets	Define measurable Levels of Service Targets.
Risk and Prioritization	Integrate all asset classes through risk and prioritization strategies.
Sustainable Financing	Identify sustainable Financing Strategies for all asset classes.
Continuous Processes	Provide continuous processes to ensure asset information is kept current and accurate.
Decision Making and Transparency	Integrate asset management information into all corporate purchases, acquisitions and assumptions.
Monitoring and Reporting	At defined intervals, assess the assets and report on progress and performance.

Clark Pump Station Ground Storage Tank + Regional Manager

1. Over-arching Principles

The Institute of Asset Management recommends the adoption of seven key principles for a sustainable asset management program. According to the Institute of Asset Management, asset management must be:

1. Holistic — Asset management must be cross-disciplinary, total value focused.
2. Systematic — Rigorously applied in a structured management system.
3. Systemic — Looking at assets in their systems context, again for net, total value.
4. Risk-based — Incorporating risk appropriately into all decision-making.
5. Optimal — Seeking the best compromise between conflicting objectives, such as costs versus performance versus risks, etc.
6. Sustainable — Plans must deliver optimal asset lifecycles, ongoing systems performance, environmental, and other long term consequences.
7. Integrated — At the heart of good asset management lies the need to be joined-up. The total puzzle needs to work as a whole - not just the sum of the parts.

"Key Principles", The Institute of Asset Management, www.iam.org

Box Pump Station Tank (Rehabbed 2023)

III. Asset Management Plan Objectives and Content

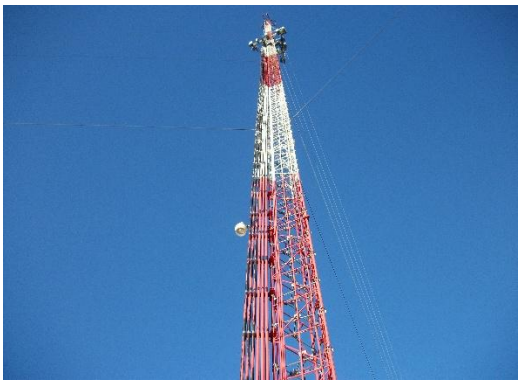
The Asset Management Plan is one component of the Authority's Strategic Management Plan. It has been developed to support the Authority's vision for its asset management practice and programs. It provides key asset attribute data, including the current composition of the Authority's infrastructure portfolio, inventory, replacement costs, useful life, etc. It summarizes the physical health of the capital assets, enumerates the Authority's current capital spending framework, and outlines financial strategies to achieve fiscal sustainability in the long term, while reducing and eventually eliminating funding gaps.

This AMP is developed in accordance with best practices in asset management. The following asset classes are analyzed in this document: water systems, wastewater systems, support buildings and structures, machinery and equipment.

Asset Classes

Water

Wastewater



Support Buildings/Structures

Machinery/Equipment

IV. Data and Methodology

The Authority's dataset includes key asset attributes and financial data, such as historical costs, in-service dates, field inspection data (as available), asset health, and replacement costs.

1. Condition Data

Government agencies implement a straight-line amortization schedule approach to depreciate their capital assets. In general, this approach may not be reflective of an asset's actual condition and the true nature of its deterioration, which tends to accelerate toward the end of the asset's lifecycle. It is a useful approximation in the absence of standardized decay models and actual field condition data, and can provide a benchmark for future requirements.

However, actual field condition data was compiled into a table for this Asset Management Plan, and was analyzed to make recommendations more meaningful and representative of the Authority's state of infrastructure. The value of condition data cannot be overstated, as it provides a more accurate representation of the state of infrastructure. The type of condition data used for each class is indicated in Chapter V, Section 2.

Figure 2 – Partial Extract from the Red River Authority of Texas Data Table

System	Account No	Fund No	Distric	TCEQ ID	Facility	Asset Class	Address	Location Latitude	Location Longitude	processsystem	subprocesssubsystem	assetgroup	asset	Install Date	EUL	replacecost
RRA-Northfield Carey	100	113	D-11	TX03800	Nimmo Pump St	Water	FM 94 @ F	N 34 17 15.823	W -100 31 51.536	Repump Station	Ground Storage	Tanks	Ground Storage Tank	1993	40	$ 169,500
RRA-Northfield Carey	100	113	D-11	TX03800	Taylor Tank	Water	FM 94 1 mi	N 34 13 21.588	W -100 37 14.330	Distribution Syst	Ground Storage	Tanks	Ground Storage Tank	1993	40	$ 75,000
RRA-Preston Shores	100	722	D-22	TX09100	Preston Shores	Water	208 Shern	N 33 50 53.001	W -96 40 28.826	Surface Water Tr	Ground Storage	Tanks	Ground Storage Tank	1997	40	$ 975,000
RRA-Preston Shores	100	722	D-22	TX09100	Preston Shores	Water	208 Shern	N 33 50 53.001	W -96 40 28.826	Surface Water Tr	Ground Storage	Tanks	Ground Storage Tank	1968	40	$ 675,000
RRA-Ringgold	100	902	D-19	TX16300	Ringgold Pump	Water	208 Mesq	N 33 49 04.386	W -97 56 22.148	Pump Station	Ground Storage	Tanks	Ground Storage Tank	1980	40	$ 150,000
RRA-Samnorwood	100	600	D-16	TX04400	Clark PS	Water	500 Feet S	N 35 10 1.786	W -100 18 23.346	Pump Station	Ground Storage	Tanks	Ground Storage Tank	2001	40	$ 127,500
RRA-Samnorwood	100	600	D-16	TX04400	Lone Mound Ta	Water	FM 1547 n	N 35 08 43.937	W -100 20 36.598	Distribution Syst	Ground Storage	Tanks	Ground Storage Tank	1977	40	$ 150,000
RRA-Box	100	311	D-13	TX24400	Box Pump Stati	Water	6000 FM 1	N 34 07 22.154	W -99 14 14.907	Repump Station	Pump Station	Motor	Motor #1	1993	20	$ 5,080
RRA-Tell Cee Vee	100	410	D-14	TX03800	Airport Pump St	Water	CR 7 1/2 m	N 34 26 01.166	W -100 18 43.291	Pump Station	Ground Storage	Tanks	Ground Storage Tank	2011	40	$ 150,000
RRA-Truscott Gilliland	100	520	D-15	TX13800	Truscott PS	Water	Intersectio	N 33 44 27.270	W -99 48 05.180	Pump Station	Ground Storage	Tanks	Ground Storage Tank	2007	40	$ 427,500
RRA-Truscott Gilliland	100	520	D-15	TX13800	Alexander PS	Water	FM 2500	N 33 43 26.247	W -99 52 18.137	Pump Station	Ground Storage	Tanks	Ground Storage Tank	1977	40	$ 165,000
RRA-Truscott Gilliland	100	520	D-15	TX13800	Lowrance Tank	Water	Ranch Ro	N 33 46 46.341	W -99 57 28.165	Ground Storage	Ground Storage	Tanks	Ground Storage Tank	1977	40	$ 150,000
RRA-Truscott Gilliland	100	520	D-15	TX13800	Gilliland PS	Water	FM 3791 a	N 33 44 44.751	W -99 40 24.696	Pump Station	Ground Storage	Tanks	Ground Storage Tank	1969	40	$ 300,000
RRA-Arrowhead Lake Lo	100	901	D-19	TX03900	Arrowhead Ran	Water	FM 1954 @	N 33 48 6.943	W -98 25 1.447	Repump Station	Ground Storage	Tanks	Ground Storage Tank #1	1995	40	$ 555,000
RRA-Arrowhead Lake Lo	100	901	D-19	TX03900	Arrowhead Ran	Water	FM 1954 @	N 33 48 6.943	W -98 25 1.447	Repump Station	Ground Storage	Tanks	Ground Storage Tank #2	1995	40	$ 236,250
RRA-Preston Shores	100	722	D-22	TX09100	Preston Shores	Water	208 Shern	N 33 50 53.001	W -96 40 28.826	Surface Water Tr	Ground Storage	Tanks	Ground Storage Tank	1997	40	$ 975,000
RRA-Preston Shores	100	722	D-22	TX09100	Preston Shores	Water	208 Shern	N 33 50 53.001	W -96 40 28.826	Surface Water Tr	Ground Storage	Tanks	Ground Storage Tank	1968	40	$ 675,000
RRA-Box	100	311	D-13	TX24400	Box Pump Stati	Water	6000 FM 1	N 34 07 22.154	W -99 14 14.907	Repump Station	Pump Station	Motor	Motor #2	1993	20	$ 5,080
RRA-Arrowhead Lake Lo	100	901	D-19	TX03900	Arrowhead Ran	Water	FM 1954 @	N 33 48 6.943	W -98 25 1.447	Repump Station	Ground Storage	Tanks	Ground Storage Tank #1	1995	40	$ 555,000
RRA-Arrowhead Lake Lo	100	901	D-19	TX03900	Arrowhead Ran	Water	FM 1954 @	N 33 48 6.943	W -98 25 1.447	Repump Station	Ground Storage	Tanks	Ground Storage Tank #2	1995	40	$ 236,250
RRA-Arrowhead Lake Lo	100	900	D-19	TX03900	Arrowhead Lak	Water	SW of FM:	N 33 44 25.836	W -98 19 39.281	Distribution Syst	Elevated Storage	Tanks	Elevated Storage Tank	1982	40	$ 850,000
RRA-Arrowhead Lake Lo	100	900	D-19	TX03900	Arrowhead Lak	Water	FM 1954 S	N 33 44 51.063	W -98 22 45.992	Distribution Syst	Elevated Storage	Tanks	Elevated Storage Tank	1982	40	$ 850,000
RRA-Arrowhead Lake Lo	100	901	D-19	TX03900	Arrowhead Ran	Water	FM 1954 @	N 33 48 6.943	W -98 25 1.447	Repump Station	Elevated Storage	Tanks	Elevated Storage Tank	1982	40	$ 1,000,000
RRA-Estelline	100	100	D-11	TX09600	Estelline Pump	Water	1107 Mauc	N 34 32 37.191	W -100 26 41.873	Pump Station	Ground Storage	Tanks	Elevated Storage Tank	1972	40	$ 850,000
RRA-Preston Shores	100	722	D-22	TX09100	Preston Shores	Water	14727 N. S	N 33 50 56.200	W -96 40 43.280	Distribution Syst	Elevated Storage	Tanks	Elevated Storage Tank	1983	40	$ 1,000,000
RRA-Estelline	100	110	D-11	TX09600	Rodriguez Pum	Water	1007 Child	N 34 23 45.421	W -100 53 13.001	Pump Station	Process Water Pump St	Tanks	Pressure Tank	1977	40	$ 60,000
RRA-Lockett	100	300	D-13	TX24400	Locket Pump S	Water	12792 CR	N 34 04 19.745	W -99 23 0.807	Repump Station	Repump Station	Tanks	Pressure Tank	1985	40	$ 160,000
RRA-Farmers Valley	100	313	D-13	TX24400	Farmers Valley	Water	1/2 Mile Ea	N 34 13 02.536	W -99 29 04.926	Pump Station	Ground Storage	Tanks	Standpipe	1975	40	$ 375,000
RRA-Greenbelt Lake Lot	100	811	D-18	TX06500	Greenbelt PS	Water	4600 Hwy	N 34 58 39.440	W -100 53 26.430	Pump Station	Ground Storage	Tanks	Standpipe	1975	40	$ 250,000
RRA-Tell Cee Vee	100	410	D-14	TX03800	Tell Tank	Water	CRZ 1/2 mi	N 34 23 47.275	W -100 24 18.758	Distribution Syst	Ground Storage	Tanks	Standpipe	1972	40	$ 150,000
RRA-Arrowhead Lake Lo	100	901	D-19	TX03900	Arrowhead Ran	Water	FM 1954 @	N 33 48 6.943	W -98 25 1.447	Repump Station	Chlorine	Process Mec	Chlorine Feed Building	1972	25	$ 36,830
RRA-Ringgold	100	902	D-19	TX16300	Ringgold Pump	Water	208 Mesq	N 33 49 04.386	W -97 56 22.148	Pump Station	Chlorine	Process Mec	Chlorine Feed Building	1968	25	$ 1,270
RRA-Box	100	311	D-13	TX24400	Box Pump Stati	Water	6000 FM 1	N 34 07 22.154	W -99 14 14.907	Repump Station	Pump Station	Pumps	Pump #1	1993	20	$ 6,350
RRA-Box	100	311	D-13	TX24400	Box Pump Stati	Water	6000 FM 1	N 34 07 22.154	W -99 14 14.907	Repump Station	Pump Station	Pumps	Pump #2	1993	20	$ 6,350
RRA-Box	100	311	D-13	TX24400	Box Pump Stati	Water	6000 FM 1	N 34 07 22.154	W -99 14 14.907	Repump Station	Pump Building	Instrumentati	Site Glass Control and Air Pump	1993	25	$ 8,890
RRA-Box	100	311	D-13	TX24400	Box Pump Stati	Water	6000 FM 1	N 34 07 22.154	W -99 14 14.907	Repump Station	Pump Building	Structures	Pump Station Building	1993	50	$ 17,831
RRA-Preston Shores	100	722	D-22	TX09100	Preston Shores	Water	208 Shern	N 33 50 53.001	W -96 40 28.826	Surface Water Tr	High Service Pump	Pumps	HS Pump #3	1970	30	$ 12,700
RRA-Arrowhead Lake Lo	100	901	D-19	WQ00114	ARE Wastew ate	Wastewater	680 Piega	N 33 47 7.997	W -98 24 4.718	Wastewater Colle	Wastewater Collection	Process Mec	Lift Station	1975	20	$ 63,500
RRA-Foard County	100	510	D-15	TX07800	Smith PS	Water	N of HWY	N 33 59 28.745	W -99 46 3.638	Pump Station	Repump Station	Tanks	Pressure Tank	2011	40	$ 85,000
RRA-Foard County	100	510	D-15	TX07800	Foard County P	Water	CR 334 at	N 33 55 7.267	W -99 48 12.098	Pump Station	Repump Station	Tanks	Pressure Tank	2011	40	$ 85,000
RRA-Guthrie-Dumont	100	500	D-15	TX13500	Guthrie Tank P	Water	196 3RD S	N 33 37 27.847	W -100 19 31.708	Pump Station	Repump Station	Tanks	Pressure Tank	2009	40	$ 85,000
RRA-Box	100	311	D-13	TX24400	Box Pump Stati	Water	6000 FM 1	N 34 07 22.154	W -99 14 14.907	Repump Station	Security	Structures	Fence	1993	40	$ 5,207
RRA-Truscott Gilliland	100	520	D-15	TX13800	Gilliland PS	Water	FM 3791 a	N 33 44 44.751	W -99 40 24.696	Pump Station	Process Water Pump St	Tanks	Pressure Tank	2008	40	$ 85,000
RRA-Garden Valley	100	413	D-14	TX03800	Garden Valley F	Water	County Rc	N 34 26 20.124	W -100 16 05.824	Pump Station	Ground Storage	Tanks	Standpipe	2010	40	$ 210,000
RRA-Arrowhead Lake Lo	100	900	D-19	TX03900	Arrowhead Wat	Water	11296 FM	N 33 45 53.700	W -98 22 17.277	Surface Water Tr	Ground Storage	Tanks	Ground Storage Tank	1981	40	$ 206,250
RRA-Arrowhead Lake Lo	100	900	D-19	TX03900	Arrowhead Wat	Water	11296 FM	N 33 45 53.700	W -98 22 17.277	Surface Water Tr	Ground Storage	Tanks	Ground Storage Tank	1981	40	$ 206,250
RRA-Guthrie-Dumont	100	500	D-15	TX13500	Dumont Well Fi	Water	671 CR 26	N 33 44 18.241	W -100 37 34.687	Well Field	Ground Storage	Tanks	Ground Storage Tank	2023	40	$ 150,000
RRA-Dodson	100	610	D-16	TX04400	Patterson PS	Water	One mile S	N 34 47 53.781	W -100 00 48.719	Pump Station	Ground Storage	Tanks	Ground Storage Tank	1975	40	$ 382,500
RRA-Estelline	100	100	D-11	TX09600	Estelline Pump	Water	1107 Mauc	N 34 32 37.191	W -100 26 41.873	Pump Station	Ground Storage	Tanks	Ground Storage Tank	1972	40	$ 386,475
RRA-Estelline	100	110	D-11	TX09600	Parnell	Water	Intersectio	N 34 30 43.900	W -100 36 13.700	Distribution Syst	Ground Storage	Tanks	Ground Storage Tank	1972	40	$ 150,000
RRA-Estelline	100	110	D-11	TX09600	Ed House Pump	Water	South of S	N 34 29 03.180	W -100 41 21.903	Pump Station	Ground Storage	Tanks	Ground Storage Tank	1975	40	$ 150,000

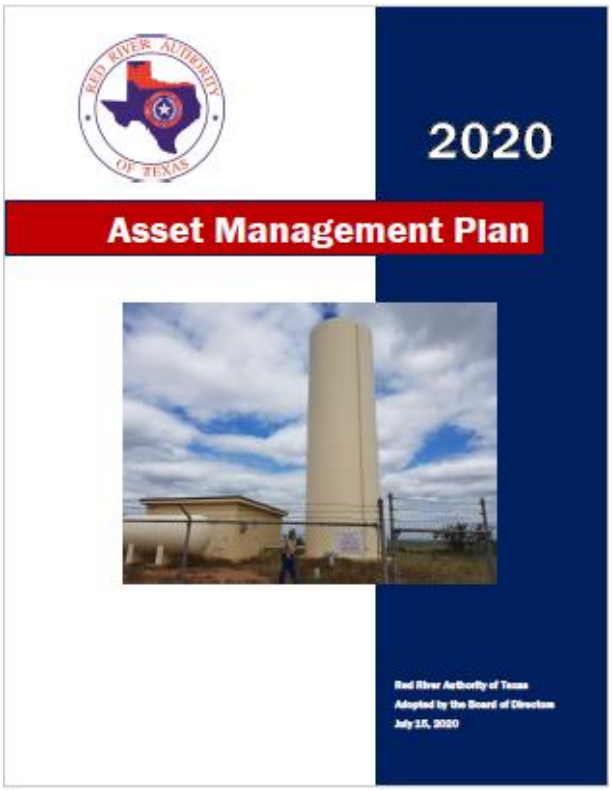
2. Financial Data

In this AMP, the average annual requirement is the amount, based on current replacement costs, which the Authority should set aside annually for infrastructure so that assets can be replaced upon reaching the end of their lifecycle.

To determine current funding capacity, all existing sources of funding are identified and combined to enumerate the total available funding; funding for previous years is analyzed as data is available. These figures are then assessed against the average annual requirements, and are used to calculate the annual funding shortfall or surplus, and to form the financial strategies.

In addition to the annual shortfall, the majority of utilities face significant infrastructure backlogs. The infrastructure backlog is the accrued financial investment needed in the short term to bring the assets to a state of good repair. This amount is identified for each asset class.

Only predictable sources of funding are used, e.g., utility revenues, user fees, and other streams of income the Authority can rely on with a high degree of certainty. Government grants and other ad-hoc injections of capital are not included in this asset management plan, given their unpredictability. If state and federal governments make greater, more predictable, and permanent commitments to funding infrastructure programs, future updates of this asset management plan will account for such funding sources.



V. Summary Statistics

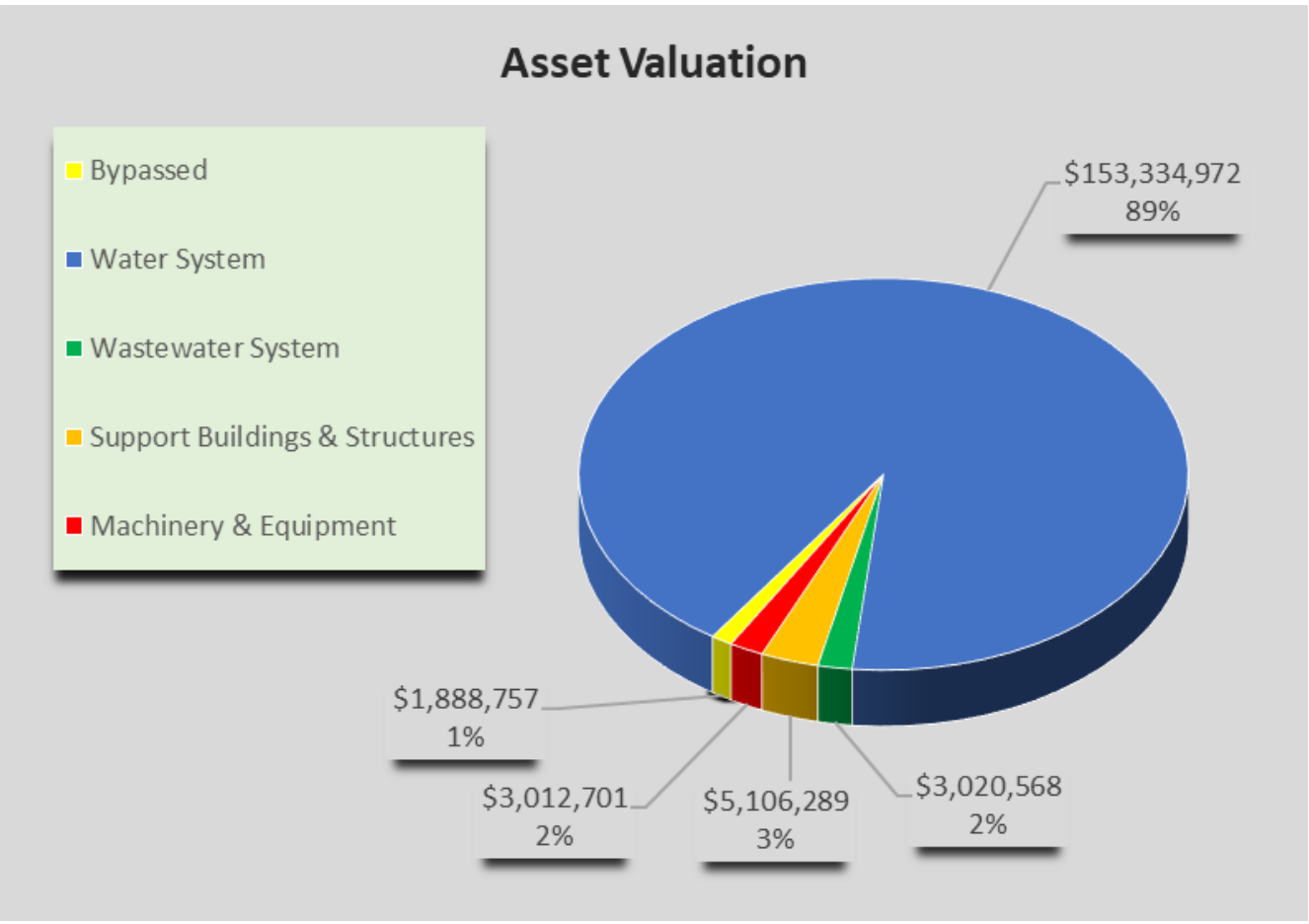
In this section, technical and financial data are aggregated across all asset classes analyzed in this AMP, and the state of the infrastructure using key indicators, including asset condition, useful life, and important financial measurements, is summarized. A Risk Matrix for all asset classes combined (water systems, wastewater systems, support buildings and structures, machinery and equipment) is presented below. This graph shows a distribution of assets based on the calculated Consequence of Failure Score (5 being the worst) plotted against the Max Condition Score (5 being the worst).

Figure 3 - Risk Matrix All Asset Classes

1. Asset Valuation

The asset classes analyzed in this asset management plan for the Authority had a total 2025 valuation of $172,023,428, of which the Water System comprised 89%, and the Wastewater System comprised 1.8%. The total cost per water meter connection was $39,379 based on 4,100 meters for all asset categories except for the wastewater system, which was $19,239 based on 157 connections. The Bypassed category indicates water infrastructure not in use due to the Greenbelt Municipal and Industrial Water Authority water supply, and is not generally considered for replacement. However, certain sites like Childress NE, Kesler, and Quanah NE are being considered for recommissioning. The 2025 valuations were determined using current engineer-provided project costs, or market replacement costs where available.

Figure 4 - Asset Valuation by Class



2. Source of Condition Data by Asset Class

Observed data provides the most precise indication of an asset's physical health. In the absence of such information, the age of capital assets can be used as a meaningful approximation of the asset's condition. The Authority has condition data for all assets based on 2025 replacement cost, except for buried water and sewer line infrastructure.

Hinds Pump Station

Surveys were conducted of all the Authority's properties and facilities, which include the nine Districts across North Texas, the Main Office, support facilities, and communication towers. An inventory data table was created, capturing information collected during inventory. This data set was then assessed using key points (age, condition, consequence of failure, expected useful life, etc.) to determine asset risk and prioritization for replacement.

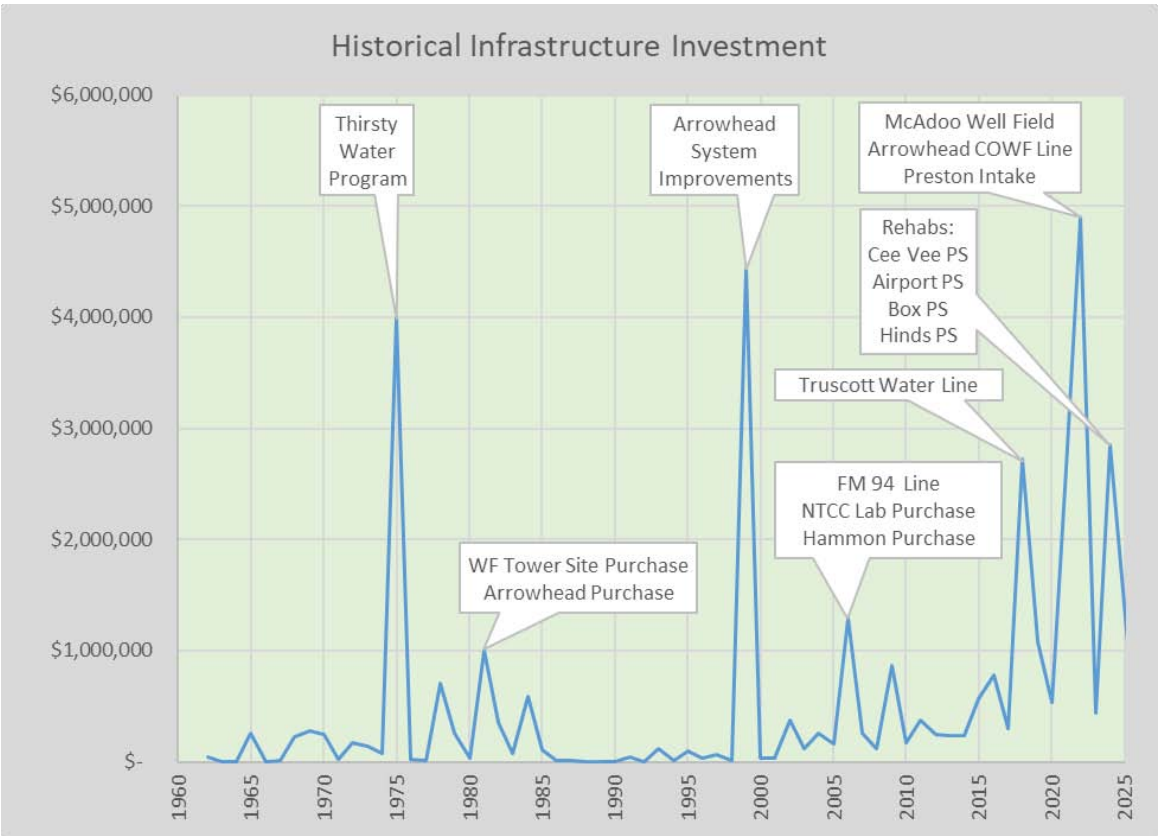
3. Historical Investment in Infrastructure

In conjunction with condition data, two other measurements can augment understanding of the state of infrastructure, and impending and long-term infrastructure needs: installation year profile, and useful life remaining.

Figure 5 illustrates, as a stack graph, the historical investments made in the asset classes analyzed in this AMP since 1962. For the Authority, investment in critical infrastructure has paralleled the acquisition and investment in rural water systems. Note that this graph only includes the active asset inventory as of December 31, 2024.

The Authority has continuously invested in its infrastructure over the decades. Investments fluctuated during the late 1960s to early 1980s, with a peak in the 1970s associated with the Thirsty Water Program. In the late 1990s, investments peaked again with system-wide tank and infrastructure surface-level rehabs. Investments since have risen significantly following the 2020 AMP which include the Lake Arrowhead distribution line from the City of Wichita Falls, AMI Residential Meter installation, Box Pump Station Rehab, Cee Vee Pump Station Rehab, Airport Pump Station Rehab, a complete rebuild of the Hinds Pump station, the completion of the new McAdoo wellfield, the Janny Well Rehab, and 20-miles of polyethylene pipe for the Lockett Water System. Preston Shores receives a new raw water intake, new disinfection system, new raw water pumps, and new raw water pump cabling. Since 2020, $12.8 million has been invested as a direct result of the 2020 AMP.

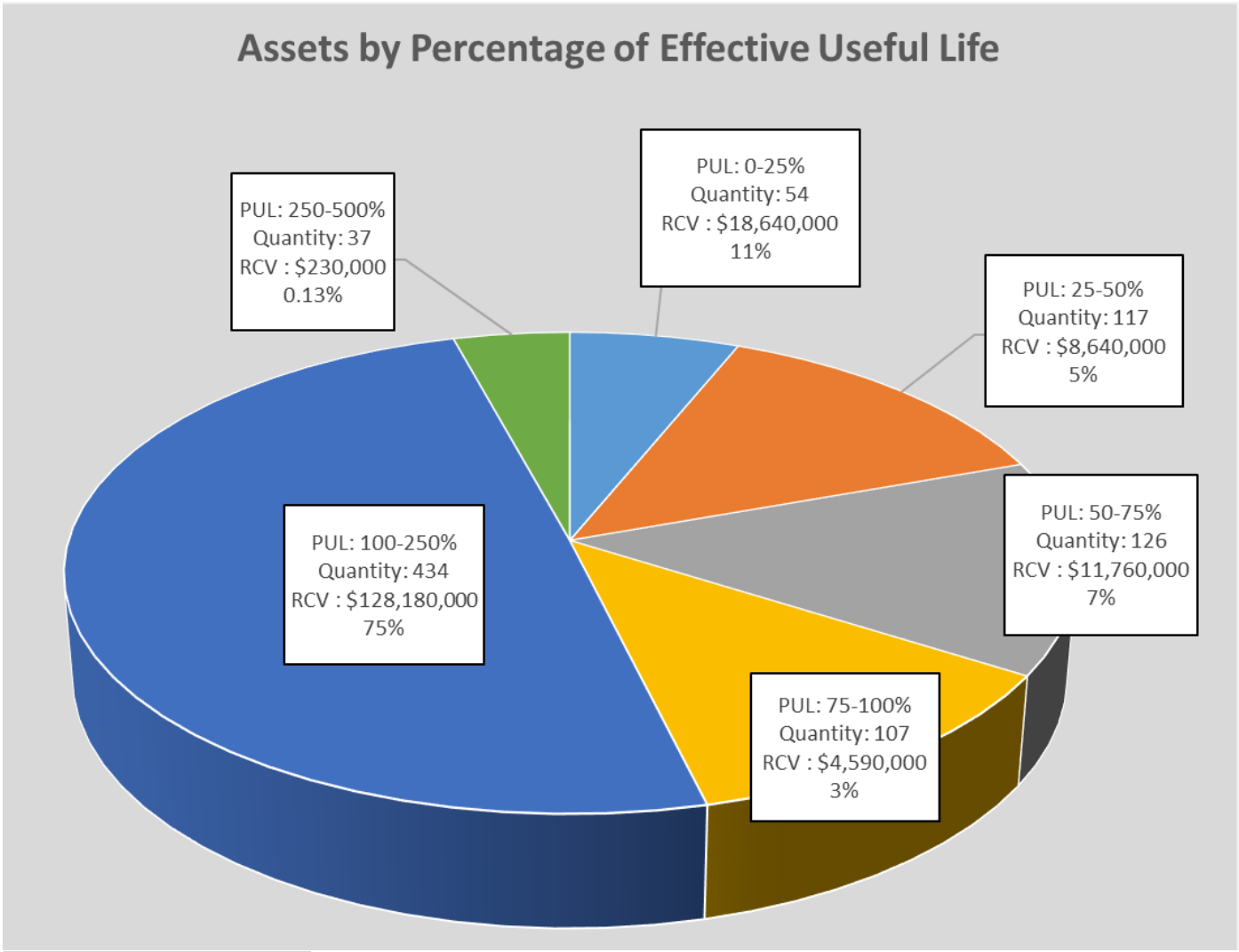
Figure 5 - Historical Investment in Infrastructure – All Asset Classes



4. Useful Life – All Asset Classes

While age is not a precise indicator of an asset's health, it can serve as a high-level, meaningful approximation, and help guide replacement needs and facilitate strategic budgeting. Figure 6 shows the distribution of assets based on the percentage of useful life expended.

Figure 6 - Assets by Percent of Useful Life – All Asset Classes as of 2025



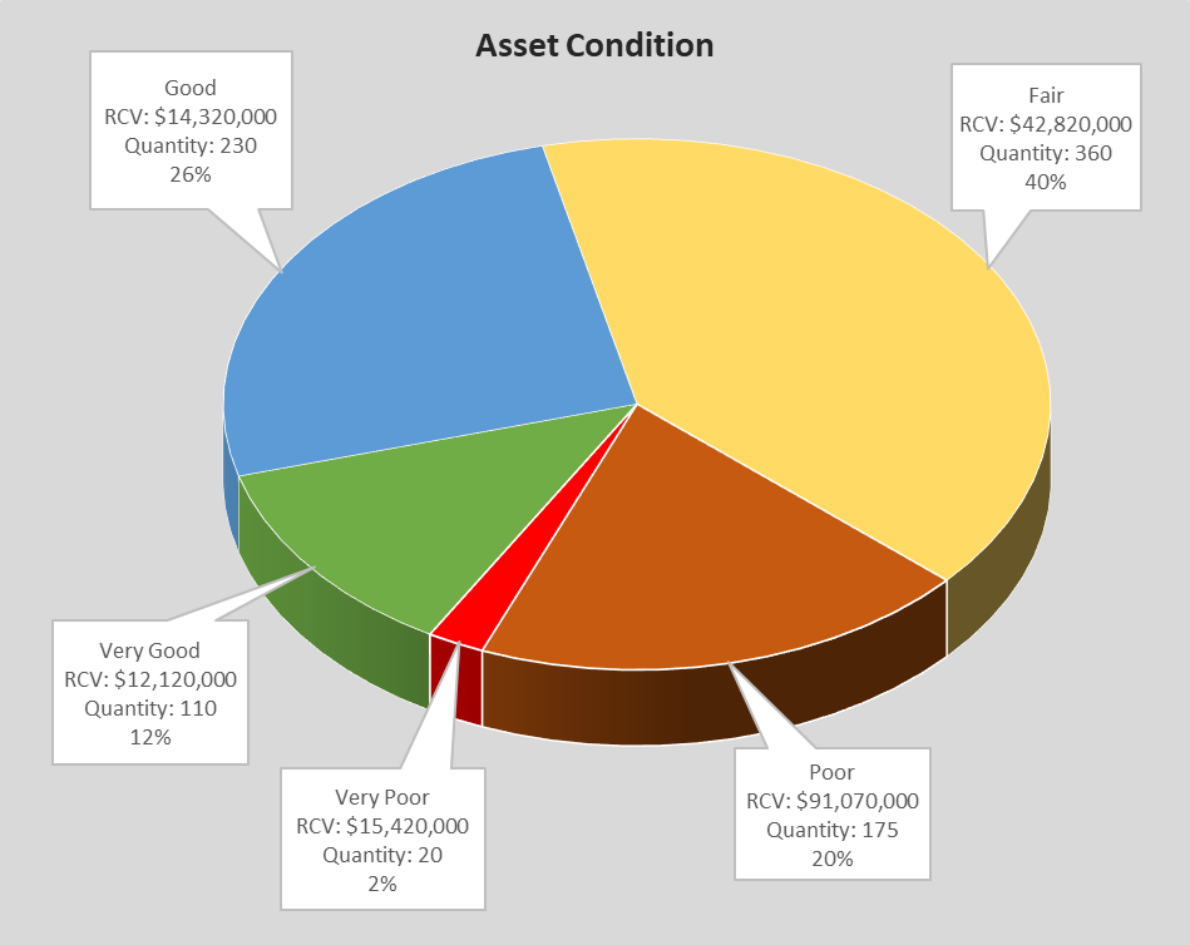
PUL – Percent of Useful Life
RCV – Replacement Cost Value

Roughly 20% of the assets analyzed in this AMP have at least half the years of useful life remaining. However, 54%, with a valuation of $128 million, remain in operation beyond their established useful life. Another 26% will reach the end of their useful life within the next five to ten years.

5. Overall Condition – All Asset Classes

Based on 2025 replacement costs, and the condition assessment, over 38% of assets, with a valuation of $26.4 million, are in good to very good condition; 22% are in poor to very poor condition, with a valuation of $116.4 million. The higher cost in the poor and very poor category is due to water lines that are beyond their useful life cycles. Note that this chart does not contain bypassed water facility assets. While some bypassed water facilities are being considered for recommissioning, they are not included in this data as the condition is considered below Very Poor.

Figure 7 - Asset Condition and Replacement Cost as of 2025 – All Asset Classes



RCV – Replacement Cost Value

6. Financial Profile

This section details key high-level financial indicators for the Authority's asset classes.

The annual requirements represent the amount the Authority should allocate annually to each of its asset classes to meet replacement needs as they arise, prevent infrastructure backlogs, and achieve long-term sustainability. In total, the Authority should allocate $4.1 million annually for the assets covered in this AMP to meet proper replacement cycles.

Figure 8 - Annual Requirements by Asset Class

Asset Class	Replacement Cost	40-Year Cycle Cost	Annual Requirement
Water System	$153,334,972	$153,963,768	$3,849,094
Wastewater System	$3,020,568	$ 3,020,568	$ 75,514
Support Buildings & Structures	$5,106,289	$ 5,106,289	$ 127,657
Machinery & Equipment	$3,012,701	$ 3,012,701	$ 75,318
Total	$164,474,530	$ 165,103,326	$ 4,127,583

The backlog is the total investment in infrastructure that was deferred over previous years or decades. The backlog represents the investment needed today to meet previously deferred replacement needs. Based on assessed data, the backlog represents the value of assets still in operation beyond their established useful life as categorized in CIP Group 1, as detailed in Chapter V, Section 7. The Authority has a combined infrastructure backlog of $123.1 million, with the Water System comprising 98.5%. The Water System backlog is comprised mainly of distribution water lines, which had not been properly assessed in prior Capital Improvement Plans.

Figure 9 - Infrastructure Backlog – All Asset Classes

Asset Class	Backlog
Water System	$ 121,285,938
Wastewater System	$ 1,456,690
Support Buildings & Structures	$ 17,780
Machinery & Equipment	$ 312,680
Total	$ 123,073,088

7. Replacement Profile – All Asset Classes

This section illustrates the aggregate short, medium, and long-term infrastructure spending requirements (replacement only) for the Authority's asset classes. Based on the condition assessment, assets have been ranked into Capital Improvement Plan (CIP) groups. The groups range from 1, the highest priority and risk, to 5, the lowest priority and risk. Based on assessed data, the backlog represents the value of assets still in operation beyond their established useful life as categorized in CIP Group 1.

Figure 10 - CIP Grouping – All Asset Classes

CIP Grouping				
Asset Group	**Risk**	**Number of Assets**	**Asset Percent**	**Asset Value**
CIP Group 1	Highest	220	25%	$126,120,125
CIP Group 2	High	199	23%	$8,315,065
CIP Group 3	Medium	331	38%	$22,427,268
CIP Group 4	Low	85	10%	$6,784,583
CIP Group 5	Lowest	40	5%	$8,376,386

The Authority has a combined backlog of $123.1 million, of which the water system comprises $121.3 million ($100.3 million is deferred waterline replacement cost from CIP Group 1). Aggregate replacement needs total $134.4 million over the next five years ($102.5 million is deferred waterline replacement cost from CIP Groups 1 and 2). An additional $22.4 million will be required between 2031 and 2035. The Authority's aggregate annual requirements total $4.1 million. At this funding level, the Authority would be allocating sufficient funds on an annual basis to meet the replacement needs for its various asset classes as they arise without the need for deferring projects and accruing annual infrastructure deficits. Currently, the Authority is funding roughly 10% of the annual requirements for rate-funded assets. Fulfilling the annual requirements will position the Authority to meet its future replacement needs; however, injection of additional revenues will be needed to mitigate existing infrastructure backlogs.

Figure 11 - CIP Planning – All Asset Classes

Asset Group	Risk	Capital Improvement Program - Planning Years							
		1	2	3	4	5	6-10	11-20	20+
CIP Group 1	Highest	$63,060,063	$ 63,060,063						
CIP Group 2	High			$ 2,771,688	$ 2,771,688	$2,771,688			
CIP Group 3	Medium						$22,427,268		
CIP Group 4	Low							$ 6,784,583	
CIP Group 5	Lowest								$ 8,376,386

VI. State of Asset Classes

The state of asset classes includes the full inventory, condition ratings, useful life data, and the backlog and upcoming infrastructure needs for each asset class. Assessed condition data was used as the basis for discussion and recommendations.

The sections are discussed by each asset class: water system, wastewater system, support buildings and structures, and machinery and equipment. The discussion includes recommendations for improvement of the asset class, and for five and ten-year Capital Improvement Program (CIP) projects.

Lone Mound Tank

1. Water System

1.1 Asset Portfolio: Quantity, Replacement Cost, and Useful Life

Figure 12 illustrates key asset attributes for the Authority's water system, including quantities of various assets, the replacement costs, and the expected useful life (EUL). In total, the Authority's water system assets are valued at $144.8 million, based on 2025 replacement costs. The useful life indicated for each asset type below was assigned by the Authority using standard engineering recommendations.

Figure 12 - Key Asset Attributes – Water

Asset	Quantity	Replacement Cost	EUL
Elevated Storage Tanks	6	$ 5,400,000	40
Ground Storage Tanks	46	$ 12,203,190	40
Master Meters	44	$ 263,017	20
Motors	58	$ 339,090	20
Power Boxes	37	$ 297,180	30
Pressure Tanks	17	$ 1,810,000	40
Pumps	52	$ 279,019	20
Pump Station Buildings	34	$ 709,356	40
Radio Repeaters	14	$ 60,579	15
Standpipes	5	$ 1,835,000	40
Water Lines (aggregate)	1,217 miles	$ 121,600,000	40

1.2 Recommendations – Water System

- An integrated work order and line mapping system should be developed to properly track work completed on water mains, and update line locations and statistics.
- Finalize installation of new master meters.
- Prioritize critical system components for replacement with reduced emphasis on complete station rehabs and replacements.
- Prioritize SCADA system upgrades to better monitor system status and increase uptime.
- Additional funding for water lines should be addressed through grant and loan programs. Prioritized spending does not include CIP already in construction.
- Prioritized targeted system and facility spending are as follows:

1-Year CIP				
District	Fund	Location	Description	Estimated Cost
D-15	500	Airport Booster PS	Replace Roof, Electric Panel Replacement, Pump Replacement, Increase Greenbelt Tap, New Plumbing	$ 60,000
D-13	313	Farmers Valley	Replace GST	$ 400,000
D-19	902	Ringgold Wellfield	Rehab West Well	$ 100,000
D-14	610	Kesler Tank	Return to Service	$ 80,000
D-16	600	Clark PS	Install Manganese Sequestration System	$ 80,000
D-16	610	Patterson PS	Replace GST with EST	$ 2,000,000
D-14	413	Garden Valley	Increase system pressure by 20psi by Pressure Tank and PS or Taller Standpipe with PS	$ 500,000
D-11	113	Smith Tank	GST Replacement, New Plumbing	$ 75,000
D-11	113	LA Tucker PS	Pump Replacement, Electric Panel Replacement, New Plumbing	$ 50,000
D-11	113	Nimmo PS	Pump Replacement, Electric Panel Replacement,	$ 50,000
D-16	600	Lutie PS	Replace GST, Electric Panel Replacement, Building Repairs	$ 85,000
D-16	600	Abria PS	Demolish	$ 20,000
D-16	600	Samnorwood PS	Demolish	$ 20,000
D-18	811	Greenbelt PS	SCADA Addition, Pump Replacement, Electric Panel Replacement, New Plumbing	$ 60,000
D-12	231	Quanah NE PS	Demolish and Rebuild Completely, the Reinstate use	$ 700,000
				$ 4,280,000

5-Year CIP				
District	Fund	Location	Description	Estimated Cost
D-12	520	Gilliland PS	Replacement of Pumps, Compressor, Electric Panels, Pressure Tank, and Plumbing	$ 150,000
D-22	722	Preston Plant	Add Treatment Train, Rehab Existing Treatment Trains, Relocate ARE Decant Basins to Preston, Rehab EST, Add one new EST, Raw Pump Vault	$ 8,500,000
D-22	722	Preston	Install Coin Operated Water Sales Station	$ 4,000
D-14	221	Old Goodlett	Install Coin Operated Water Sales Station	$ 4,000
D-11	100	Estelline Wellfield	Rehab two (2) water wells, add LAS treatment with mixers and asssociated piping	$ 500,000
D-12	510	Johnson Tank	Replace GST	$ 80,000
D-12	510	Smith PS	Replace GST and PT, New Pumps, New Plumbing, New Electrical	$ 400,000
D-12	510	Self PS	Replace GST, New Plumbing, New Electrical	$ 120,000
D-12	510	Ford PS	Replace GST and PT, New Pumps, New Plumbing, New Electrical	$ 400,000
D-14	411	Childress NE PS	Demolish and Rebuild Completely, the Reinstate use	$ 500,000
D-15	410	Water Lines - Tell Cee Vee	Various System Line Replacements	$ 3,000,000
D-15	500	Water Lines - Guthrie Dumont	Various System Line Replacements	$ 3,000,000
D-15	410	Tell Tank	Replace GST, Fill Valve, Add Building, Replace Electrical	$ 150,000
D-11	100	Estelline PS	Add Pressure Tank	$ 200,000
				$ 17,008,000

10-Year CIP				
District	Fund	Location	Description	Estimated Cost
D-19	900	Arrowhead	Rehab three (3) EST, and four (4) GST	$ 2,000,000
D-11	100	Estelline Water System	Complete Rehab of Parnell PS, Edhouse PS, and Reese Tank	$ 2,000,000
D-11	100	Estelline Water System	Replace Reese Tank	$ 300,000
D-16	600	Samnorwood Water System	Replace GST at Clark PS and Lonemound	$ 300,000
D-16	600	Samnorwood Water System	Rehab two (2) water wells	$ 250,000
D-12	510	Water Lines - Ford County	System Line Replacements	$ 3,000,000
D-12	231	Water Lines - Quanah NE	Various System Line Replacements	$ 3,000,000
D-12	520	Water Lines - Truscott Gilliland	Various System Line Replacements	$ 3,000,000
D-19	900	Water Lines - Arrowhead	Various System Line Replacements	$ 3,000,000
D-14	413	Water Lines - Garden Valley	Various System Line Replacements	$ 3,000,000
D-18	800	Howardwick	Demolish Offline GST	$ 10,000
D-14	211	New Goodlett	Demolish Offline GST	$ 10,000
D-14	221	Old Goodlett	Demolish Offline GST	$ 10,000
D-18	612	Hill Tank	Demolish Site	$ 10,000
D-18	612	Montgomery Tank	Demolish Site	$ 10,000
D-14		Lazare PS	Demolish and Rebuild Completely, the Reinstate use	$ 700,000
Various		Various	Residential Meter Replacent (FIFO or BIBO)	$ 350,000
Various		Various	System Main Valve Replacements	$ 300,000
				$ 21,250,000

2. Wastewater System

2.1 Asset Portfolio: Quantity, Replacement Cost, and Useful Life

Figure 13 illustrates key asset attributes for the Authority's wastewater system, including quantities of various assets, the replacement costs, and the expected useful life (EUL). In total, the Authority's wastewater system assets are valued at $3.0 million based on 2025 replacement costs. The useful life indicated for each asset type below was assigned by the Authority using standard engineering recommendations.

Figure 13 - Key Asset Attributes – Wastewater System

Asset	Quantity	Replacement Cost	EUL
Aeration Ponds/Fields	2	$ 6,350	40
Lift Stations	1	$ 72,390	20
Package Sewer Plant	1	$ 254,000	20
Sewer Pumps/Motors	2	$ 6,350	20
Wet Wells	2	$ 132,080	40
Sewer Pipes (aggregate)	11 miles	$ 2,549,398	40

Estelline Wastewater Lagoon

2.2 Recommendations – Wastewater System

- The data collected through future condition assessment programs should be integrated into the existing risk management framework, and the asset listing should be updated annually.
- An integrated work order and line mapping system should be developed to properly track work completed on wastewater lines, and update line locations and statistics.
- A tailored lifecycle activity framework should be developed to promote standard lifecycle management of the wastewater system.
- Prioritized targeted system and facility spending are as follows:

1-Year CIP			
District	Location	Description	Estimated Cost
D-19	Arrowhead	Replace package sewer treatment plant	$ 600,000
			$ 600,000

5-Year CIP			
District	Location	Description	Estimated Cost
D-19	Arrowhead	Replace Sewer Lift Station #1	$ 65,000
D-11	Estelline	Replace or slip-line 5 miles of 6" sewer line	$ 150,000
			$ 215,000

10-Year CIP			
District	Location	Description	Estimated Cost
D-19	Estelline	Replace or slip-line 6 miles of 6” sewer line	$ 1,187,500
			$ 1,187,500

3. Support Buildings and Structures

3.1 Asset Portfolio: Quantity, Replacement Cost, and Useful Life

Figure 14 illustrates key asset attributes for the Authority's support buildings and structures, including quantities of various assets, the replacement costs, and the expected useful life (EUL). In total, the Authority's support building and structure assets are valued at $5.1 million based on 2025 replacement costs. The useful life indicated for each asset type below was assigned by the Authority using standard engineering recommendations.

Figure 14 - Key Asset Attributes – Support Buildings and Structures

Asset	Quantity	Replacement Cost	EUL
Air Conditioners (Building)	4	$ 106,680	40
Communication Buildings	3	$ 165,100	20
Communication Towers	3	$ 155,067	25
Maintenance Buildings	3	$ 247,650	40
Main Office & Laboratory	5	$ 4,400,042	40
Radio Repeater (Tower)	3	$ 31,750	15

Quanah Tower Communication Building

3.2 Recommendations – Support Buildings and Structures

- The data collected through future condition assessment programs should be integrated into the existing risk management framework, and the asset listing should be updated annually.
- An integrated work order system should be developed to properly track work completed on support buildings and structures, and update statistics.
- A tailored lifecycle activity framework should be developed to promote standard lifecycle management of support buildings and structures.
- Support building and structure key performance indicators should be established and tracked annually as part of an overall level of service model. See Section VII 'Levels of Service'.
- The Authority is only funding ten percent of its long-term requirements on an annual basis, and should allocate and achieve more sustainable and optimal funding levels.
- Prioritized targeted system and facility spending are as follows:

1-Year CIP	
Description	Estimated Cost
Main Office Repairs	$ 25,000
	$ 25,000

5-Year CIP	
Description	Estimated Cost
Main Office Repairs	$ 100,000
Quanah Tower Renovation	$ 40,000
Wichita Falls Tower Renovation	$ 40,000
	$ 180,000

10-Year CIP	
Description	Estimated Cost
Renovate Main Office (excluding North Hallway) and Lab	$ 400,000
Renovate Main Office North Hallway	$ 100,000
Main Office Repairs	$ 100,000
Main Office Concrete Drive Repair (South Side)	$ 50,000
Memphis Tower Renovation	$ 40,000
	$ 690,000

4. Machinery and Equipment

4.1 Asset Portfolio: Quantity, Replacement Cost, and Useful Life

Figure 15 illustrates key asset attributes for the Authority's machinery and equipment, including quantities of various assets, the replacement costs, and the expected useful life (EUL). In total, the Authority's machinery and equipment assets are valued at $3.0 million based on 2025 replacement costs. The Authority funds 100% of the machinery and equipment cost in its annual budget. Additionally, roughly half of the laboratory equipment has been purchased through the State's Clean Rivers Program. Additional future funding can be obtained through this program. The useful life indicated for each asset type below was assigned by the Authority using standard engineering recommendations.

Figure 15 - Key Asset Attributes – Machinery and Equipment

Asset	Quantity	Replacement Cost	EUL
Vehicles- Trucks/Office	34	$ 2,188,500	10
Large Maintenance Vehicles	3	$ 174,000	10
Trailers	12	$ 176,000	20
Trailer Generators	4	$ 32,670	15
Computers (Desk or Laptop)	26	$ 53,040	15
Large Copiers	3	$ 55,200	15
Lab Instruments (High Cost)	3	$ 333,291	10

Unit 106

4.2 Recommendations – Machinery and Equipment

- The data collected through future condition assessment programs should be integrated into the existing risk management framework, and the asset listing should be updated annually.

- A lifecycle activity framework has already been developed for standard lifecycle management of machinery and equipment. The Authority should maintain this cycle for vehicles and lab equipment.

- The Authority is currently funding 100 percent of its long-term requirements on an annual basis, and should continue to allocate these optimal funding levels.

- Prioritized targeted machinery and equipment spending are as follows:

1-Year CIP	
Description	Estimated Cost
Add Heavy Duty Trailer for Excavator	$ 50,000
Vehicle - Replace three (3) 3/4 Ton Pickup Trucks	$ 225,000
Cell Phones - Replace All Cell Phones (26 pieces)	$ 30,000
Trilogy Fluorometer	$ 8,951
Seal BD50 Block Digestion System	$ 8,830
	$ 322,781

5-Year CIP	
Description	Estimated Cost
Vehicle - Replace one (1) 1/2 Ton Pickup Truck	$ 60,000
Vehicle - Replace one (1) Suburban	$ 80,000
Vehicle - Replace twelve (12) 3/4 Ton Pickup Trucks	$ 900,000
VOIP - Phone System	$ 15,000
Precision Water Bath Model 2866 - Thermoscientific	$ 6,000
Poly Science Water Bath	$ 1,200
Auto Sampler	$ 6,000
Norge Refrigerator	$ 1,000
	$ 1,069,200

10-Year CIP	
Description	Estimated Cost
Replace two (2) backhoes	$ 280,000
Replace Mini-Excavator	$ 80,000
Replace Semi Truck #201	$ 100,000
	$ 460,000

VII. Levels of Service

The two primary risks to financial sustainability are the total lifecycle costs of infrastructure, and establishing levels of service (LOS) that exceed its financial capacity. In this regard, the Authority faces a choice: overpromise and under-deliver; under-promise and over-deliver; or promise only that which can be delivered efficiently without placing an inequitable burden on rate payers.

Developing realistic LOS using meaningful key performance indicators (KPIs) can be instrumental in managing customer expectations, identifying areas requiring higher investments, driving organizational performance, and securing the highest value for money from assets. However, utilities face diminishing returns with greater granularity in their LOS and KPI framework. That is, the objective should be to track only those KPIs that are relevant, insightful, and reflect the priorities of the Authority.

1. Guiding Principles for Developing LOS

Beyond meeting regulatory requirements, levels of service established should support the intended purpose of the asset and its anticipated impact on the community and the Authority. LOS generally have an overarching corporate description, a customer-oriented description, and a technical measurement. Many types of LOS, e.g., availability, reliability, safety, responsiveness, and cost effectiveness, are applicable across all service areas in a utility. The following LOS categories are established as guiding principles for the LOS that each service area in the Authority should strive to provide internally to the Authority and to customers. These are derived from best practices in developing Levels of Service frameworks.

LOS Category	Description
Reliable	Services are predictable and continuous; services of sufficient capacity are convenient and accessible to the entire community.
Cost Effective	Services are provided at the lowest possible cost for both current and future customers, for a required level of service, and are affordable.
Responsive	Opportunities for community involvement in decision making are provided; and customers are treated fairly and consistently, within acceptable timeframes, demonstrating respect, empathy and integrity.
Safe	Services are delivered such that they minimize health, safety and security risks.
Suitable	Services are suitable for the intended function (fit for purpose).
Sustainable	Services preserve and protect the natural and heritage environment.

Figure 16 - LOS Categories

2. Key Performance Indicators and Targets

This section identifies industry-standard Key Performance Indicators (KPIs) for major infrastructure classes that the Authority can incorporate into its performance measurement, and track progress over future iterations of the Asset Management Plan. The Authority should develop appropriate and achievable targets that reflect evolving demand on infrastructure, its fiscal capacity, and the overall corporate objectives.

Figure 17 - Key Performance Indicators

Level	KPI (Reported Annually)
Strategic	− Percentage of total reinvestment compared to asset replacement value − Completion of strategic plan objectives
Financial Indicators	− Annual revenues compared to annual expenditures − Annual replacement value depreciation compared to annual expenditures − Cost per capita for the asset − Maintenance costs per square foot − Revenue required to maintain annual facility growth − Total cost of borrowing vs. total cost of service
Tactical	− Percentage of asset rehabilitated/reconstructed − Percentage of piping miles rated as poor to very poor − Percentage of asset class value spent on O&M
Operational Indicators	− Operating costs for pipeline per mile − Operating costs for facilities per square foot − Percentage of customer requests with a 24-hour response rate

3. Future Performance

In addition to the Authority's financial capacity and legislative requirements, many factors, internal and external, can influence the establishment of LOS and their associated KPI. These can include the Authority's overarching mission as an organization, the current state of its infrastructure, and the wider social, political, and economic context. The following factors should inform the development of most levels of service targets and their associated KPIs:

Strategic Objectives and Authority Goals
The Authority's long-term direction is outlined in its Strategic Plan. This direction will dictate the types of services it aims to deliver to its customers, and the quality of those services. These high-level goals are vital in identifying strategic (long-term) infrastructure priorities and, as a result, the investments needed to produce desired levels of service.

State of the Infrastructure
The current state of capital assets will determine the quality of services the Authority can deliver to its customers. As such, levels of service should reflect the existing capacity of assets to deliver those services, and may vary (increase) with planned maintenance, rehabilitation, or replacement activities and timelines.

Customer Expectations
The customer will often have qualitative and quantitative insights regarding the levels of service a particular asset, or network of assets, should deliver, e.g., what a water tank in 'good' condition should look like, or the quality of water delivered. The customer should be consulted in establishing LOS; however, the discussions should be centered on clearly outlined lifecycle costs associated with delivering any improvements in LOS.

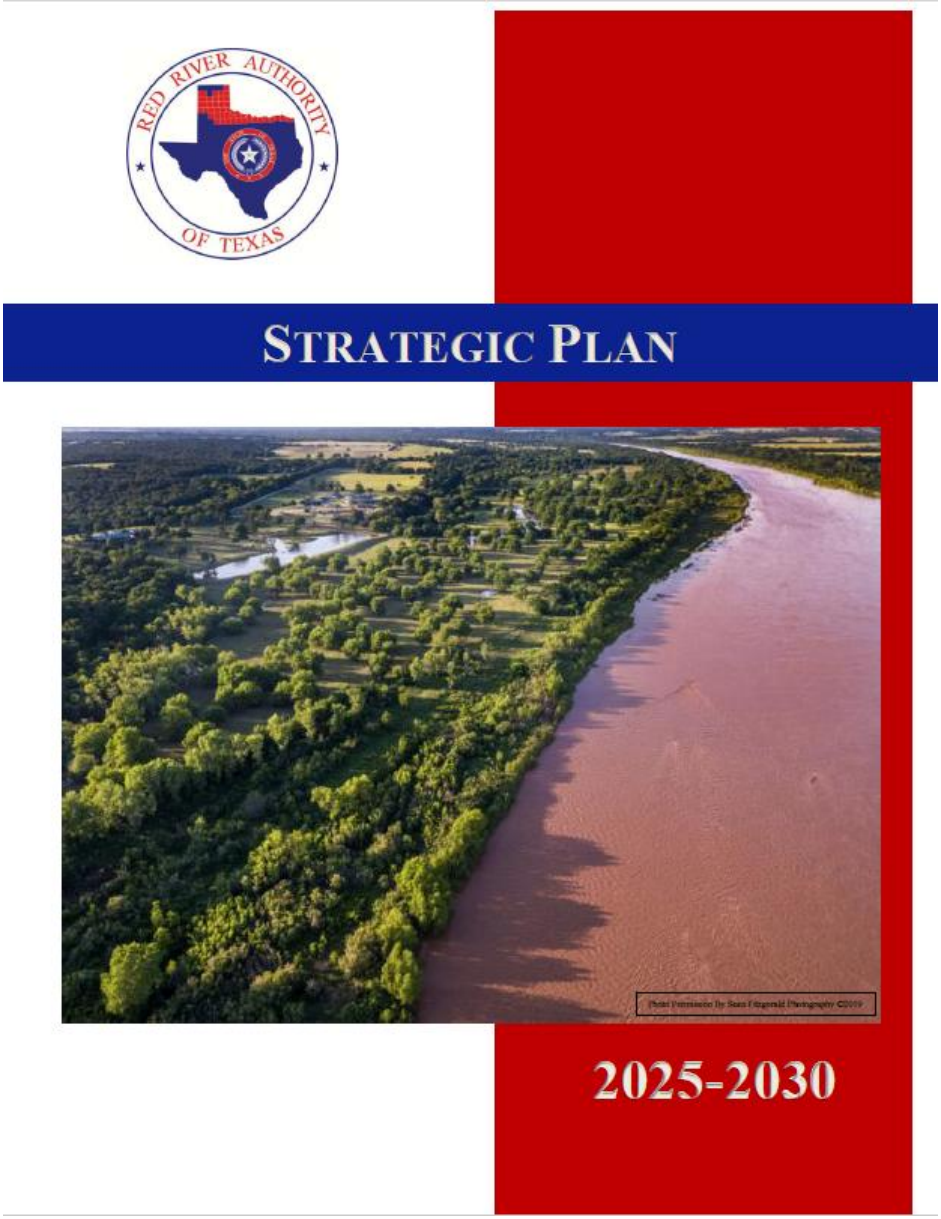
Economic Trends
Economic trends will have a direct impact on the LOS for most infrastructure services. Fuel costs, fluctuations in interest rates, and inflation can impede or accelerate any planned growth in infrastructure services.

Population Changes
Population growth is a significant demand driver for existing assets (lowering LOS), and may require the Authority to construct new infrastructure (e.g., Preston Shores) to meet expectations.

Environmental Changes
Forecasting for infrastructure needs based on climate change remains an imprecise science. However, broader environmental and weather patterns have a direct impact on the reliability of critical infrastructure services, especially in the drought conditions experienced in North Texas.

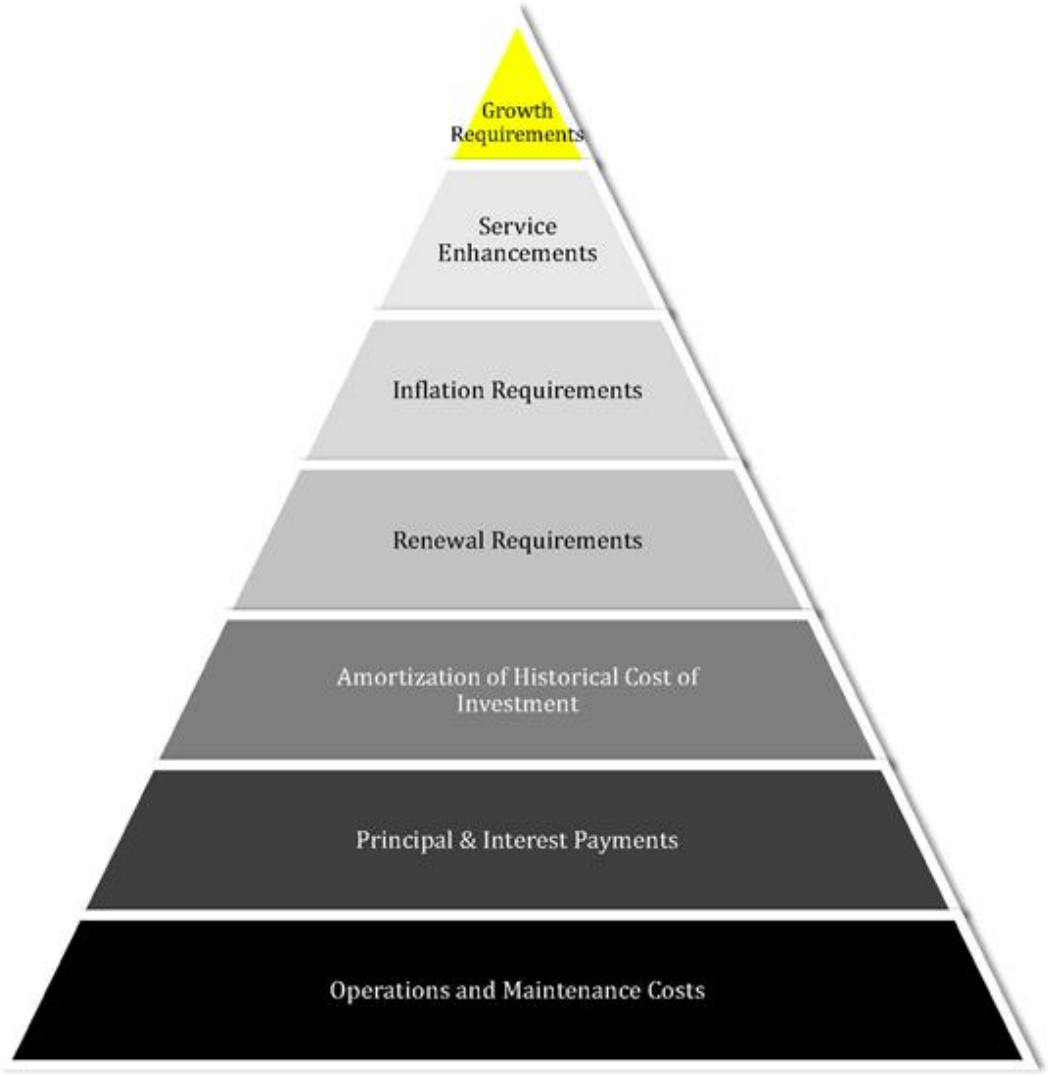
4. Monitoring, Updating and Actions

The Authority should collect data on its current performance against the KPIs listed and establish targets that reflect the current fiscal capacity of the Authority, its strategic goals, and, as feasible, changes in population that may place additional demand on its various asset classes. For some asset types, e.g., minor equipment, furniture, etc., cursory levels of service and their respective KPIs will suffice. For major infrastructure types, detailed technical and customer-oriented KPIs can be critical. Once this data is collected and targets are established, the progress of the Authority should be tracked annually.



VIII. Financial Strategy

In order for an AMP to be effective and meaningful, it must be integrated with financial planning and long-term budgeting. The development of a comprehensive financial plan will allow the Authority to identify the financial resources required for sustainable asset management based on existing asset inventories, desired levels of service, and projected growth requirements.



Recommendations for Full Funding

The average annual investment requirement for all the asset classes is $4.1 million. A combination of bonds, loans, and grants will be required to supplement any additional rate revenues.

A financial plan will be developed after this Asset Management Plan. The Authority's Financial Committee will analyze combinations of rate and debt funding scenarios. This Committee will give recommendations that avoid long-term funding deficits.

If the financial plan component results in a funding shortfall, a specific plan should be included that demonstrates how the impact of the shortfall will be managed. In determining the legitimacy of a funding shortfall, the Authority's approach to the following should be evaluated:

- In order to reduce financial requirements, consideration must be given to revising service levels downward.

- All asset management and financial strategies must be considered with regard to rates and fees covering the cost of service, and potential bond issuance, loans, and grants to cover infrastructure backlogs.

Garden Valley Stand Pipe

Appendix A: Asset Inventory and Condition Assessment

The following Asset Inventory and Condition Assessment was used to guide the field surveys and development of the asset management data tables to assess all assets captured during the review.

Appendix B: Acronyms

CIP – Capital Improvement Plan
RCV – Replacement Cost Value
PUL – Percentage of Useful Life
EUL – Estimated Useful Life
SCADA – Supervisory Control and Data Acquisition
GST – Ground Storage Tank
EST – Elevated Storage Tank
PS – Pump Station
AMP – Asset Management Plan
LOS – Level of Service

Appendix C: Photos

Unit #622

Lockett HDPE Pipe – 20 Miles

Appendix C: Photos (continued)

Cee Vee Pump Station Pressure Tank (Rehabbed 2023)

Dumont Wellfield (Rehabbed 2023)

Appendix C: Photos (continued)

Farmers Valley Well House

Appendix C: Photos (continued)

Hinds Pump Station (New 2023)

Appendix C: Photos (continued)

Preston Lake Pumps

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
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ITEM 12

Receive a Recommendation from the Asset Management/Customer Service Committee and Consider Resolution 2025-013 Adopting the Asset Management Plan 2025 for the Red River Authority of Texas, and Take Any Other Action Deemed Necessary.

The Board will receive a recommendation from the Asset Management/Customer Service Committee on adopting the asset management plan 2025 for the Red River Authority of Texas.

Sample Motion:

I move the Board to approve Resolution No. 2025-013, Adopting the Asset Management Plan 2025 for the Red River Authority of Texas, as presented.

Second _____

Vote for _____ against _____.

RED RIVER AUTHORITY OF TEXAS

R E S O L U T I O N
#2025-013

STATE OF TEXAS §

COUNTY OF WICHITA §

A RESOLUTION OF THE Board of Directors of the Red River Authority of Texas authorizing the Adoption of the Asset Management Plan 2025 for the Red River Authority of Texas.

WHEREAS, The Texas Sunset Advisory Commission recommended to the Texas Legislature to require the Red River Authority of Texas adopt a comprehensive Asset Management Plan every year; and

WHEREAS, The Asset Management Plan 2025 provides an in-depth assessment of the age, condition, and estimated life of all assets of the Red River Authority of Texas; and

WHEREAS, The Asset Management Plan 2025 will be essential in preparing current and long range budgets for the Red River Authority of Texas; and

NOW THEREFORE BE IT RESOLVED, that the Asset Management Plan 2020 is hereby adopted effective September 17, 2025, by the Red River Authority of Texas Board of Directors.

PASSED AND APPROVED this the 17th day of September , 2025, at a regularly scheduled meeting of the Board of Directors by a vote of ___ **FOR** and ___ **AGAINST**.

Jerry Bob Daniel
President

Tonya D. Detten
Assistant Secretary

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
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ITEM 13

Consider Resolution No. 2025-014 Adopting a Records Retention Policy, in Accordance with Title 6, Subtitle C, Local Government Code, and Designate a Retention Management Officer and Take any other Action Deemed Necessary.

Due to recent staff changes, an update to the Authority's Records Retention Policy is required. The Texas State Library and Archives Commission has advised that identifying a position rather than a specific individual as the Records Management Officer (RMO) will prevent the need for repeated policy revisions when personnel changes occur. It is recommended that the policy be amended to designate the position of Controller as the RMO.

Sample Motion:

I move that the Board approves Resolution No. 2025-014, Adopting the Records Retention Policy, in Accordance with Title 6, Subtitle C, Local Government Code, and Designating the Controller as the Retention Management Officer.

Second _____

Vote for _____ against _____.

RED RIVER AUTHORITY OF TEXAS

R E S O L U T I O N
No. 2025-014

STATE OF TEXAS §

COUNTY OF WICHITA §

A RESOLUTION OF THE BOARD OF DIRECTORS to adopt a Records Retention Policy, in accordance with Title 6, Subtitle C, Local Government Code.

WHEREAS, Title 6, Subtitle C, Local Government Code (Local Government Records Act), provides that each local government must establish an active and continuing records management program; and

WHEREAS, the Red River Authority of Texas desires to adopt the following Texas State Library and Archives Commission's (TSLAC) Local Government Retention Schedules; *GR: Records Common to All Local Governments, PW: Records of Public Works and Other Government Services,* and *UT: Records of Utility Services,* and the Texas Commission on Environmental Quality's (TCEQ) *Water District Financial Management Guide*, most recent version, and the portions of the TCEQ's TSLAC *Record Retention Schedule*, most recent amended version, as it relates to environmental laboratories and National Environmental Laboratory Accreditation Conference records retention.

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

1. **DEFINES THE RECORDS OF THE RED RIVER AUTHORITY OF TEXAS:** All documents, papers, letters, books, maps, photographs, sound or video recordings, microfilm, magnetic tape, electronic media, or other information recording media, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the Red River Authority of Texas or any of its officers or employees pursuant to law or in the transaction of public business are hereby declared to be the records of the Red River Authority of Texas and shall be created, maintained, and disposed of in accordance with the provisions of this ordinance or procedures authorized by it and in no other manner.
2. **RECORDS DECLARED PUBLIC PROPERTY:** All records are hereby declared to be the property of the Red River Authority of Texas. No official or employee of the Red River Authority of Texas has, by virtue of his or her position, any personal or property right to such records, even though he or she may have developed or compiled them. The unauthorized destruction, removal from files, or use of such records is prohibited.
3. **POLICY:** It is hereby declared to be the policy of the Red River Authority of Texas to provide for efficient, economical, and effective controls over the creation, distribution, organization, maintenance, use, and disposition of all records of this office through a comprehensive system of integrated procedures for the management of records from their creation to their ultimate disposition, consistent with the requirements of the Local Government Records Act and accepted records management practice.
4. **RECORDS MANAGEMENT OFFICER:** The Authority's Controller will serve as the records management officer for the Red River Authority of Texas, as provided by law, and will ensure that the maintenance, destruction, electronic storage, or other disposition of the records of this office are carried out in accordance with the requirements of the Local Government Records Act.
5. **RECORDS CONTROL SCHEDULES:** Appropriate records control schedules issued by the Texas State Library and Archives Commission shall be adopted by the records management officer for use in the Red River Authority of Texas, as provided by law. Any destruction of records of the Red River Authority of Texas will be in accordance with these schedules and the Local Government Records Act.

PASSED AND APPROVED this the 17th day of September, 2025 at a regular meeting of the Board of Directors by a vote of _____ **FOR** and _____ **AGAINST**.

Jerry Bob Daniel
President

Tonya D. Detten
Assistant Secretary

RED RIVER AUTHORITY OF TEXAS
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ITEM 14

Other Business as the Board May Deem Appropriate:

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a. Board Committee Reports

b. General Manager's Report

c. Assistant General Manager's Report

d. Administration Manager's Report

e. Controller's Report

RED RIVER AUTHORITY OF TEXAS
BOARD OF DIRECTORS MEETING
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ITEM 15

Comments from the Directors and/or Suggestions for Future Agenda Items.

RED RIVER AUTHORITY OF TEXAS
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ITEM 16

Adjourn Meeting.