Consolidated Annual Operating Budget

Red River at State Highway 37

Fiscal Year 2025 - 2026

Red River Authority of Texas
Adopted by the Board of Directors
September 17, 2025

RED RIVER AUTHORITY OF TEXAS

CONSOLIDATED ANNUAL OPERATING BUDGET
FISCAL YEAR 2025–2026

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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
Secretary/Treasurer
Panhandle

Jerry Dan Davis
Assistant Secretary
Wellington

Joe L. Ward
Director
Telephone

Michael R. Sandefur
Director
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,

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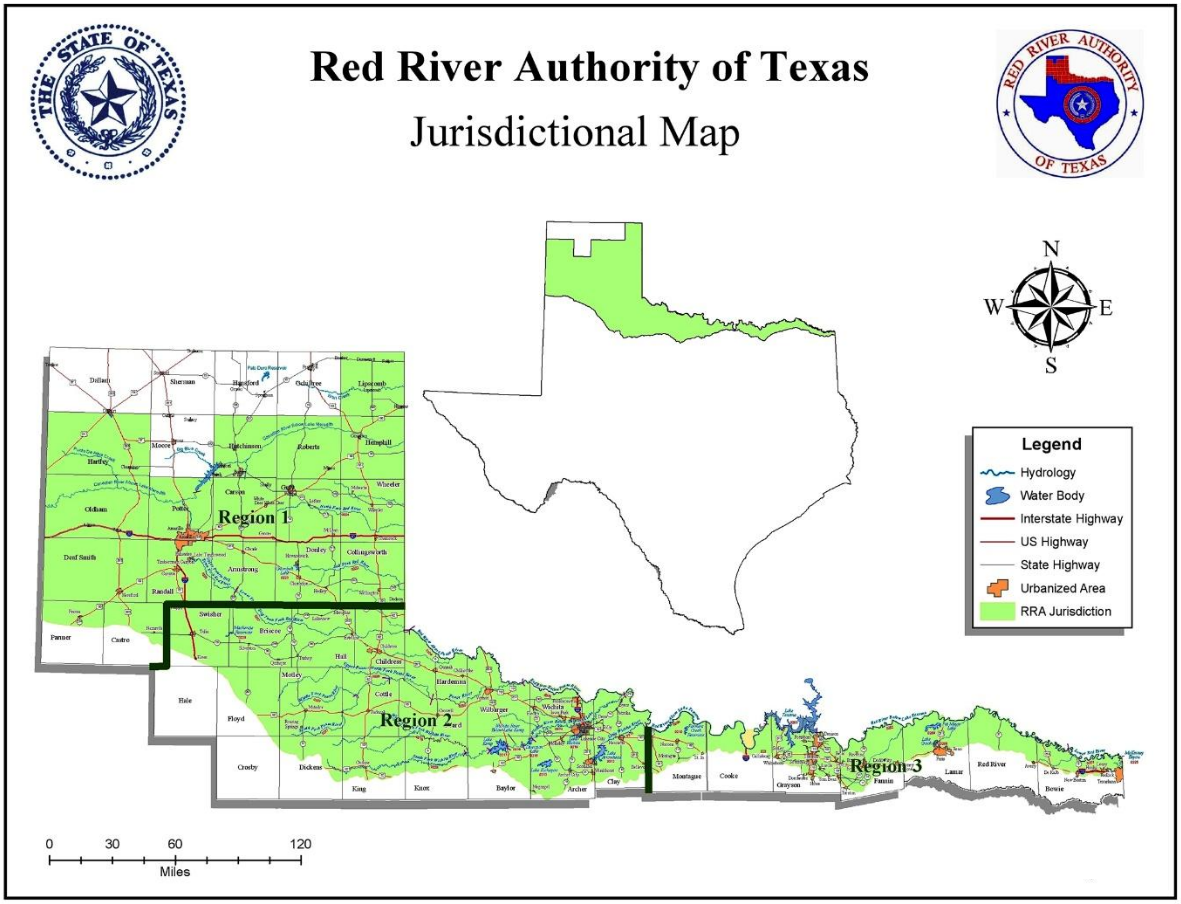
Fabian Heaney, General Manager

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.



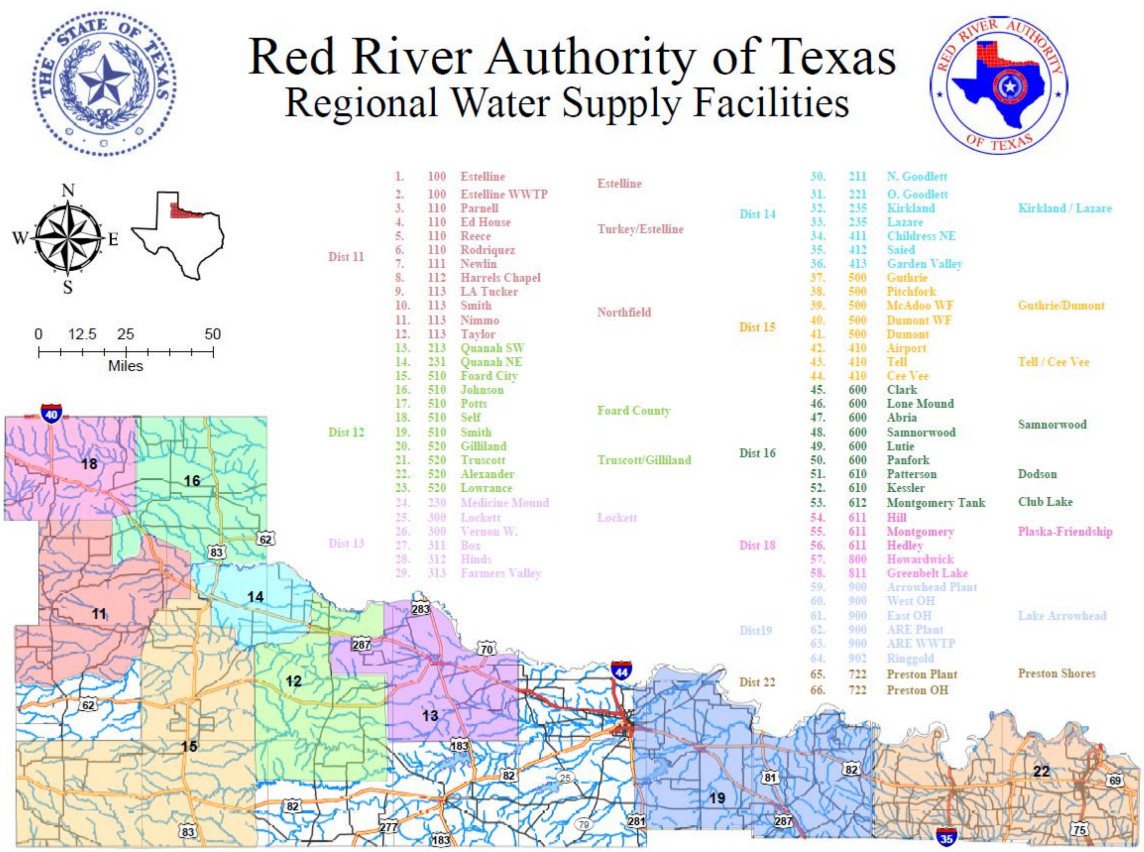
As the second longest river in the State of Texas, the Red River Basin includes all or parts of 43 counties across North Texas. The Red River is an interstate water body that originates in Curry County, New Mexico as Tierra Blanca Creek, and flows across the Texas Panhandle, carving the spectacular Palo 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.

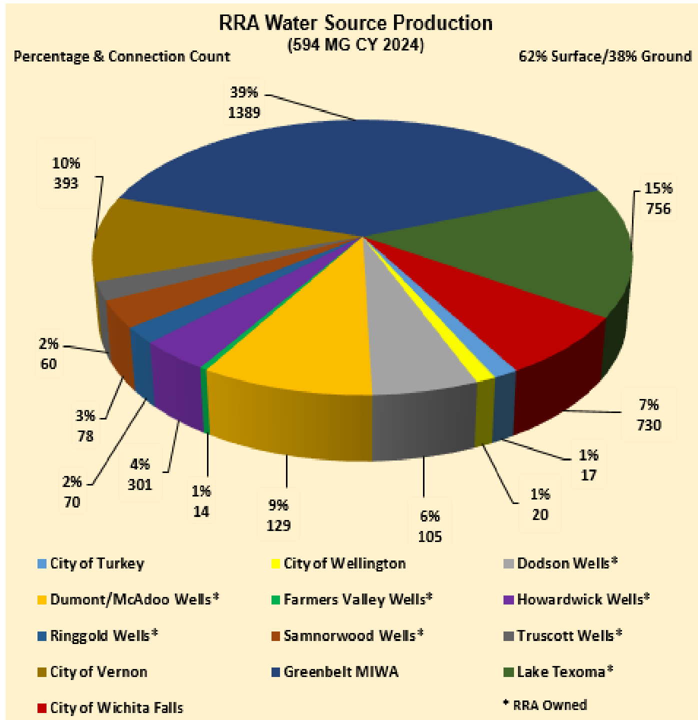
MAJOR ENTERPRISE FUNDS identify the total direct and indirect costs to provide a service, including the sources and amount of revenue that support that service for which a fee is charged. Direct costs generally consist of personnel services, expenses and capital expenditures, which are budgeted and accounted 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.

Capital Expenditures for Fiscal Year 2025-2026

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**

Capital Expenditures for Fiscal Year 2025-2026, Continued

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

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 16^{th} 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

RED RIVER AUTHORITY OF TEXAS

Utility Division

Schedule of Fees and Charges

Effective October 1, 2025

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