



**BENBROOK WATER AUTHORITY**

## Board of Directors Meeting

Tuesday, August 2, 2022

1121 Mercedes Street, Benbrook, TX 76126

3:00 p.m.

**The BWA Board of Directors may discuss, consider, and take all necessary action, including possible expenditure of funds, regarding each of the agenda items below**

1. Call To Order
2. Invocation
3. Citizen Comment On Any Agenda Item
4. Consent Agenda

Items listed under Consent Agenda are considered routine and are enacted under one motion. The exception to this rule is that a Board Member, Citizen or General Manager may request one or more items to be removed from the Consent Agenda for separate discussion and action.

1. Minutes of July 19, 2022 Board of Directors Meeting
2. Letter of Engagement from Snow Garrett Williams to perform BWA 2022 Annual Audit

Documents:

[BENBROOK WATER 2022 ENGAGEMENT LETTER \(002\).PDF](#)

5. General Manager's Report And Update

The General Manager and staff will brief the Board on the administrative, financial, or operational matters of the BWA including without limitation activities of the General Manager and staff since the last board meeting, new or ongoing residential, commercial, or other developments in the BWA, capital projects, planning activities, issues involving the water treatment plant, water distribution system, wastewater collection system, and other infrastructure and facilities, service extensions, billing and customer services issues, interactions with other governmental entities or officials, and any other items included in the General Manager's written report, which may include without limitation the following items:

1. Update on current administrative activities.
2. Report on developments under contract with BWA.
3. Report on developments that are currently proposed, but not under contract.

4. Update on active capital projects.
5. Update on miscellaneous projects.

6. New Business

6.I. Budget Adjustment

Documents:

[BUDGET ADJUSTMENT SR.PDF](#)

6.II. Consider, Discuss And Possibly Approve The Execution Of An IT Services Agreement With Fulcrum Group, Inc. For Managed IT Services

Documents:

[2022\\_08\\_02 - IT SERVICES SR - FULCRUM.PDF](#)

6.III. Consider, Discuss And Possibly Approve The Expenditure For A Supervisory Leadership Training Program With Strategic Government Resources Of Keller, TX

Documents:

[SGR STAFF REPORT FOR SGR.PDF](#)

6.IV. Discuss And Possibly Approve Interlocal Agreement With City Of Benbrook For Asphalt Street Repair Services

Documents:

[ASPHALT STRT REPAIR SVCS ILA SR 2022.PDF](#)  
[ILA STREET REPAIRS 2022.PDF](#)

6.V. Discuss And Possibly Approve Interlocal Agreement With City Of Benbrook For Refuse And Stormwater Billing And Payment Collection Services

Documents:

[REFUSESTORMWTR BILLING SVCS ILA SR 2022.PDF](#)  
[ILA REFUSE AND STORM WATER 2022.PDF](#)

6.VI. Discuss And Possibly Approve Interlocal Agreement With City Of Benbrook For Cooperation Agreement

Documents:

[INTERLOCAL PURCHASING SR.PDF](#)  
[ILA COOP PURCHASING 2022.PDF](#)

7. Public Comment

All persons wishing to provide public comment should complete a public comment information form and submit it to the General Manager before the meeting.

Documents:

[PUBLIC COMMENT FORM.PDF](#)

8. Director / Staff Comment  
Announcements from Board Members and / or Staff; there will be no discussion or formal action taken on these items.
9. Executive Session  
Conduct Closed Executive Session Pursuant to Chapter 551, Government Code, for: consultation with the BWA attorney regarding pending or contemplated litigation, settlement offers, or other attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); personnel matters (§551.074); or deliberation regarding security devices (§551.076).
  1. Any other item set forth in any section of this notice/agenda.
10. Re-Convene In Open Meeting  
Take any Action Necessary from Executive Session
11. Adjournment  
Next meeting is scheduled for August 16, 2022
12. Work Session  
Discussion of current / future agenda items

*The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time. Public hearings and public meetings of the BWA Board of Directors are available to all persons. This facility is wheelchair accessible. If you require special assistance to attend a hearing or meeting, please call (817) 249-1250 at least 24 hours in advance of the hearing or meeting to coordinate any special physical access arrangements. For sign interpretative services, please call 48 hours in advance.*



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

July 21, 2022

To the Board of Directors and Management of  
Benbrook Water Authority  
P.O. Box 26929  
Benbrook, Texas 76126

We are pleased to confirm our understanding of the services we are to provide Benbrook Water Authority for the year ended December 31, 2022.

**Audit Scope and Objectives**

We will audit the financial statements of the business-type activities and the disclosures, which collectively comprise the basic financial statements of the Benbrook Water Authority (the Authority) as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), and the schedules required for the pension plan, to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Changes in the Net Pension Liability and Related Ratios
3. Schedule of Employer Pension Contributions and Related Ratios

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

Texas Supplementary Information

1. Schedule of Services and Rates
2. Schedule of Enterprise Fund Expenditures
3. Schedule of Temporary Investments
4. Long-term Debt Service Requirements by Years
5. Schedule of Changes in Long-term Debt
6. Comparative Schedule of Revenues and Expenditures – Enterprise Fund – Five Years Ended
7. Schedule of Board Members, Key Personnel, and Consultants

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

**Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the Authority and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing*

*Standards.* In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Improper revenue recognition due to fraud.
- Management override of controls.

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures – Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

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

### **Other Services**

We will also assist in preparing the financial statements and related notes of the Authority in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations,

contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

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

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

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

#### **Engagement Administration, Fees, and Other**

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

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



The audit documentation for this engagement is the property of Snow Garrett Williams and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a grantor agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Snow Garrett Williams personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

Lindsey Kennimer, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report. We expect to begin interim fieldwork in August 2022 and final fieldwork in February 2023 and to issue our report after the year-end audit field work is complete.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report reproduction, word processing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you before we incur the additional costs.

## **Reporting**

We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Board of Directors of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

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

standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

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

Very truly yours,



Snow Garrett Williams

RESPONSE:

This letter correctly sets forth the understanding of the Benbrook Water Authority.

Management Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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**Meeting Date**

August 2, 2022

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**New Business Item #1**

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## Subject

Mid-Year Budget Adjustment

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## Recommendation

Staff recommends the Board of Directors approve the adjustment of the 2022 operating budget as proposed and discussed.

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## Background/Analysis

### *General*

BWA Staff have completed a mid-year review of operating revenues and expenses for 2022 and recommend the approval of a budget adjustment to address various considerations. The amended budget assumes approximately 2% higher revenues than originally projected and approximately 1% higher expenses. The originally adopted budget for 2022 assumed the utilization of approximately \$30,000 in available working capital. The amended budget projects revenues to exceed expenses by approximately \$74,000, resulting in an increase in working capital or budget surplus which may be utilized to fund future (i.e. capital) projects.

### *Revenues*

Through June 30, 2022, operating revenues totaled \$5,976,556, which is approximately 45% of total revenue budgeted (\$13,139,966) for 2022. Approximately 89% of operating revenues come from water & wastewater sales (rates). Staff anticipate water sales to exceed original projections by about \$300,000 (5%), and for wastewater sales to exceed budget by \$50,000 (1%). In total, revenues are expected to exceed originally budgeted revenues by approximately \$274,000.

### *Expenses*

Through June 30, 2022, operating expenses have totaled \$5,653,862, which is approximately 43% of the \$13,170,632 total expenses budgeted for 2022. All budget categories are currently within budget. However, based on activities and expenses during this time period as well as anticipated needs for the remainder of the year, Staff recommend a revised budget of \$13,341,257 (within about 1% of the originally adopted budget).

Generally, proposed increases in expense categories may be attributed in part to a combination of factors, such as increased water demands associated with a dryer than anticipated year resulting in higher water production costs due to increased demand for chemicals and utilities as well as inflationary increases in chemical costs, fuel and various services. Increases in various categories proposed are mitigated by savings in "Supplies/Equipment" and "Personnel".

## Financial Impact

The adjusted budget results in a net increase to working capital of approximately \$74,000, which is \$104,000 better than the \$30,000 net expenditure originally budgeted.

# Staff Report

## Proposed Adjusted Budget

<b>Operating Revenues</b>			
<b>Description</b>	<b>2022 Budget</b>	<b>Adjustment</b>	<b>Adjusted Budget</b>
Charges for Service	\$ 11,637,327	\$ 352,327	\$ 11,989,654
Tap Connections	\$ 87,000	\$ (20,598)	\$ 66,403
Development Inspections	\$ 40,000	\$ 41,696	\$ 81,696
Interest Income	\$ 40,000	\$ (17,970)	\$ 22,030
Sale of Fixed Assets	\$ 100,000	\$ (77,150)	\$ 22,850
Transfers In	\$ 355,887	\$ -	\$ 355,887
Other	\$ 879,752	\$ (3,371)	\$ 876,381
<b>Total Revenue</b>	<b>\$ 13,139,966</b>	<b>\$ 274,935</b>	<b>\$ 13,414,901</b>
<b>Operating Expenditures</b>			
<b>Description</b>	<b>2022 Budget</b>	<b>Adjustment</b>	<b>Adjusted Budget</b>
Administrative	\$ 276,300	\$ 38,600	\$ 314,900
Supplies/Equipment	\$ 835,686	\$ (37,115)	\$ 798,571
Capital Outlay	\$ 355,000	\$ 2,700	\$ 357,700
Contracted Services	\$ 634,622	\$ 131,453	\$ 766,075
Personnel	\$ 4,612,196	\$ (112,496)	\$ 4,499,700
Professional Services	\$ 420,000	\$ 100,500	\$ 520,500
Purchased Services-Resale	\$ 2,522,500	\$ 42,500	\$ 2,565,000
Repair/Maintenance	\$ 730,350	\$ 22,150	\$ 752,500
Utilities	\$ 383,500	\$ 31,500	\$ 415,000
Operating Transfers Out	\$ 2,400,478	\$ (49,167)	\$ 2,351,311
<b>Total Expenditures</b>	<b>\$ 13,170,632</b>	<b>\$ 170,625</b>	<b>\$ 13,341,257</b>
<b>Net Revenue (Expenditure)</b>	<b>\$ (30,666)</b>	<b>\$ 104,310</b>	<b>\$ 73,644</b>

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**Meeting Date**

August 2, 2022

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**New Business Item #2**

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## Subject

Information Technology (IT) Support Services

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## Recommendation

Staff recommends the Board of Directors authorize the execution of an IT Services Agreement with Fulcrum Group, Inc. for Managed IT Services as described below.

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## Background/Analysis

BWA utilizes various desktop computers, laptops, and network file servers which necessitate outside services to maintain the hardware and associated equipment. Upon the expiration of the previous managed IT services agreement in which BWA was engaged, Staff began evaluating multiple IT service options (vendors) and determined that services provided by the Fulcrum Group, Inc. closely match the Authority's IT needs, which include day-to-day IT operations, maintaining IT standards, strategy reviews, 24-7 service desk support, network management, and ongoing operating system patches and updates as well as basic security measures such as Windows Security Patches with reporting, EndPoint Protection and Response (i.e. email filtering with virus/malware protection). Fulcrum also provides end user security awareness training.

The cost to the Authority for this agreement, if approved, will be \$6,391 per month (\$76,692 per year). Additionally, Fulcrum Group, Inc. will maintain the annual Microsoft Office 365 licenses as a pass-through cost from Microsoft (which currently costs the Authority \$5,568 per year).

This service agreement provides for an initial two (2) year term, that will continue beyond two years until such time that BWA determines to terminate the service agreement. This service agreement includes a 90-day termination clause that will allow the termination of the agreement within the first 90 days for any reason without penalty.

This vendor was selected through the Texas Department of Information Resources, satisfying competitive procurement requirements.

## Financial Impact

Funding is available from the General Operating Fund Account for Contracted Services. Costs incurred by this agreement include an initial one-time setup fee of \$5,879 and an estimated annual cost of \$82,260 thereafter.

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**Meeting Date**

August 2, 2022

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**New Business Item #3**

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## Subject

Supervisory Leadership Training Program

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## Recommendation

Staff recommends the Board of Directors authorize the expenditure of up to \$30,000 for a supervisory leadership training program with Strategic Government Resources of Keller, Texas.

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## Background/Analysis

Following the Authority's Strategic Planning Overview completed in 2014, BWA initiated a leadership development program to enhance the professional and personal leadership skills of interested employees. This program has been in place since 2015, modified from time to time to adapt to changing development needs of its participants. This program was temporarily suspended during the recent pandemic. However, promotion of strong leadership skills in the workforce continues to be a priority.

It is the consensus of the BWA Leadership Development Executive Committee that, in conjunction with the continuation of other staff leadership development exercises, that several staff would benefit from a robust supervisor training program. Executive Committee Staff considered training sources available and in May, contacted Strategic Government Resources (SGR) regarding live, in-person training for current and potential BWA supervisory personnel. SGR is a Keller-based company that assists local governments with recruiting, assessing, and developing leaders. SGR's training courses reflect the unique perspective of local government and are facilitated by former local government officials.

The proposed training is based on SGR's Supervisory Leadership Series and includes courses on ethics, employment law, communication, and other critical supervisory skills. Staff anticipates the classes to take place over a 12–15-month period – during the last quarter of 2022 and all of 2023 and be available to all current supervisors as well as others within the organization demonstrating an interest and potential for future supervisory roles.

## Financial Impact

Total expenditures through 2023 will not exceed \$30,000. Up to \$12,000 is accounted for in the adjusted budget for 2022. Funds for the 2023 portion of the training will be included in the 2023 budget to be presented later this year.

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**Meeting Date**

August 2, 2022

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**New Business Item #4**

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## Subject

Interlocal Agreement for Asphalt Street Repair Services  
Benbrook Water Authority and the City of Benbrook for Agreement

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## Recommendation

Staff recommends the Board of Directors approve the Interlocal agreement with the City of Benbrook for asphalt street repairs at a cost of \$8.91 per square foot as described below.

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## Background/Analysis

Benbrook Water Authority currently has an Interlocal agreement with the City of Benbrook for the repair of asphalt pavement following BWA repairs of water or wastewater mains or services. The agreement, which benefits the Authority by providing for the repair while reducing staff coordination time, requires the City to schedule and complete asphalt street repairs with City crews. The current cost for repairs is \$8.91 per square foot.

The contract rate for 2022-2023 is proposed to remain the same as the current rate per the terms of this Interlocal Agreement. If executed by both parties, agreement will begin October 1, 2022 and end September 30, 2023.

## Financial Impact

Funding is available from the General Operating Fund Account designated for paving repair.

STATE OF TEXAS §

COUNTY OF TARRANT §

**INTERLOCAL AGREEMENT FOR  
ASPHALT STREET REPAIR SERVICES**

THIS AGREEMENT is entered into on this \_\_\_\_ day of August 2022, by and between the City of Benbrook ("City") and the Benbrook Water Authority ("Authority").

**WHEREAS**, the Authority and City have determined that street cuts can be accomplished more efficiently and expeditiously by the City; and

**WHEREAS**, the City and Authority have previously entered into an Agreement whereby the City will repair street cuts for the Authority, and

**WHEREAS**, the Authority and the City Benbrook desire to enter into a similar agreement for another year; and

**WHEREAS**, this Agreement is entered into pursuant to Chapter A, Section 791, Texas Government Code, and its successor legislation;

**NOW, THEREFORE**, it is agreed as follows:

**I. Authorization For Street Cut Repairs**

(a) Engagement. The Authority engages the City to make street cut repairs on asphalt streets after the Authority completes the necessary work under said streets.

(b) Authority Responsibility. Before the City initiates street cut repairs, the Authority will provide labor, materials and equipment to restore the street subsurface and attain required compaction as specified in the City's Design Standards and Criteria. The Authority will provide necessary traffic control during this time.

(c) City Responsibility. After the Authority attains required subsurface compaction, the City will provide labor, materials and equipment to saw cut and excavate the street cut area, fill with 6-inches of concrete, and apply a final lift of asphalt. The City will provide necessary traffic control during this time.

(d) Failures. Failures of street cuts made under this agreement will be the responsibility of the City and be repaired at no cost to the Authority unless the failure is caused by a street subsurface failure, which will be repaired by the Authority at its cost.

(e) Compensation. The Authority agrees to compensate the City for street cuts in the amount of \$8.91 per square foot.



(f) Street Cut Area. The Authority and City jointly will mark street cuts in order to agree on their size and scope.

## **II. TERM**

The term of this agreement shall be good for a period beginning October 1, 2022 and ending September 30, 2023.

## **III. PAYMENT**

The City agrees to invoice the Authority on a monthly basis for said services. The Authority agrees to remit payment for said services upon receipt of invoice, net 30 days.

## **IV. INDEMNITY**

The parties agree to indemnify and hold harmless each other against all claims, damages and costs arising from any claim related to work performed pursuant to this agreement. It is the intent of both parties that legal responsibility will be limited to the areas of work designated for each party in Section I (b) and (c).

## **V. AUTHORIZATION**

This contract is made pursuant to Chapter 791, Texas Government Code and its successor legislation. By executing this contract, the City and Authority do not waive any immunity or defense that would otherwise be available against claims arising from the exercise of governmental powers and functions.

## **VI. TERMINATION**

Either party may, with ninety (90) days written notice to the other, terminate this Agreement during its term. Said notice will be sufficient if delivered by certified mail to the Secretary of the Authority or the City.

(signature page follows)

**EXECUTED** this the \_\_\_\_\_ day of July, 2022

**BENBROOK WATER AUTHORITY**

\_\_\_\_\_  
Karen Henderson, President

Attest:

\_\_\_\_\_  
SECRETARY

**CITY OF BENBROOK, TEXAS  
A MUNICIPAL CORPORATION**

\_\_\_\_\_  
Jason Ward, Mayor

ATTEST:

\_\_\_\_\_  
Joanna King  
CITY SECRETARY

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**Meeting Date**

August 2, 2022

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**New Business Item #5**

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## Subject

Interlocal Agreement between Benbrook Water Authority and City of Benbrook  
Refuse and Stormwater Billing and Payment Collection Services

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## Recommendation

Staff recommends approving the Interlocal Agreement with the City of Benbrook for Refuse and Stormwater Billing and Payment Collection Services as presented.

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## Background/Analysis

The City of Benbrook contracts with BWA to place the refuse and stormwater charges on the monthly water bills. BWA bills and collects the fees for the City each month. Part of the agreement for this service is that the City does not charge BWA any stormwater fees.

The current cost is \$0.4958 cents per bill and staff proposes to maintain the current cost. The City of Benbrook agrees with this proposal.

If approved, the agreement will become effective October 1, 2022 and end on September 30, 2023.

## Financial Impact

No net financial impact is anticipated, as this agreement provides mutual benefits to the City of Benbrook and BWA.

STATE OF TEXAS §

COUNTY OF TARRANT §

**INTERLOCAL AGREEMENT FOR REFUSE AND STORMWATER  
BILLING AND PAYMENT COLLECTION SERVICES**

**THIS AGREEMENT** is entered into this \_\_\_\_\_ day of August, 2022, by and between the City of Benbrook, Texas (“City”) and the Benbrook Water Authority (“Authority”).

**WHEREAS**, the City and Authority have previously entered into an Agreement whereby the Authority bills and collects residential refuse fees and storm water utility fees; and

**WHEREAS**, the City and Authority have mutually agreed to renew that previous Agreement, and

**WHEREAS**, this Agreement is entered into pursuant to Chapter A, Section 791, Texas Government Code, and its successor legislation;

**NOW, THEREFORE**, it is agreed as follows:

**I. AUTHORITY AS BILLING AGENT**

- (a) **Designation.** The City designates the Authority as the billing agent for residential refuse collection and storm water services in the City. The Authority agrees to bill City refuse collection and storm water customers monthly for the charges owed the City for refuse collection and storm water service along with its bills for water and sewer service.
- (b) **Amount and Payment.** The Authority will bill refuse and storm water customers at the rate approved by the City Council and shall remit collected payments to the City in a timely basis each month.
- (c) **Partial Payments.** If the Authority receives a payment that is not sufficient to cover the charges for refuse collection, storm water service and water and sewer services, the Authority will allocate the funds received on a priority basis with the first funds going to discharge any amounts due for water charges, then remaining amounts to cover sewer charges, then to cover refuse collection charges, and lastly to cover storm water service fees. Any funds allocated to refuse collection and storm water charges under this partial payment priority system will be remitted to the City under the provisions of Section (b), above.

- (d) **Delinquencies.** Under this Agreement, customers will be considered delinquent if payments have not been made on those portions of their bills related to refuse collection and storm water service charges. The Authority agrees to assess delinquent penalties on past due refuse collection and storm water service charges in accordance with Sections 1.12.060 and 1.12.100 of the Benbrook Municipal Code (1985, as amended). Nothing in this Agreement shall affect how the Authority handles delinquencies on water and sewer charges. The Authority agrees to provide the City with a monthly list of customers who have delinquent refuse and storm water service collection charges.
- (e) **No Interruption of Service.** Under no circumstances will the Authority cancel, suspend or deny water or sewer service to one of its customers because he or she has an outstanding balance for refuse collection and storm water service provided by the City. Likewise, the City shall not be obligated to use any of its enforcement powers to resolve any dispute between the Authority and any of its customers that doesn't involve a City code violation.
- (f) **Compensation.** As compensation for its billing services, the Authority will receive from the City the sum of \$0.4958 (49.58 cents) per bill, to be invoiced and paid monthly to the Authority. In addition, the City will pay a fee associated with its proportionate share of credit card payments. The fee will be based on the discount fee from the Authority's Merchant Services Provider. A summary page will be provided monthly to the City for verification.

## **II. TERM**

The term of this agreement shall be good for the period commencing upon October 1, 2022 and ending September 30, 2023. The Agreement may be renewed annually by mutual consent of each party.

## **III. BILLING INFORMATION**

Billing information for refuse collection will be provided by the Authority through the data process system. The City's refuse collection contractor is responsible for refunds for billing discrepancies and customer reimbursements related to refuse collection charges. The City will provide billing information to the Authority for storm water service charges. The City is responsible for refunds for billing discrepancies and customer reimbursements related to storm water service charges caused by the City's data supplied to the Authority.

**IV. INDEMNITY**

The City agrees that it will indemnify and hold harmless the Authority against all claims, damages, or costs which the Authority may be legally required to pay arising out of its billing and collection activities on behalf of the City under this agreement and any reasonable attorney fees or cost arising out of said billing and collection activities.

**V. AUTHORIZATION**

This contract is made pursuant to Chapter 791, Texas Government Code and its successor legislation. By executing this agreement, the City and the Authority do not waive any immunity or defense that would otherwise be available against claims from the exercise of governmental powers and functions.

**VI. TERMINATION**

Either the City or the Authority may, with ninety (90) days written notice to the other, terminate this Agreement during its term. Said notice will be sufficient if delivered by certified mail to the Secretary of the Authority or the City.

EXECUTED this \_\_\_\_\_ day of August, 2022

**CITY OF BENBROOK, TEXAS  
A MUNICIPAL CORPORATION**

BY: \_\_\_\_\_  
Jason Ward, Mayor

ATTEST:

\_\_\_\_\_  
Joanna King, City Secretary

**BENBROOK WATER AUTHORITY**

By: \_\_\_\_\_  
Karen Henderson, President

ATTEST:

\_\_\_\_\_  
Secretary

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**Meeting Date**

August 2, 2022

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**New Business Item #6**

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## Subject

Interlocal Purchasing Agreement

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## Recommendation

Staff recommends the Board of Directors approve the interlocal agreement with the City of Benbrook for cooperative purchasing.

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## Background/Analysis

Chapter 791 of the Texas Government Code and section 271.102 of the Texas Local Government Code authorize local governments to contract with each other and with state agencies in order to increase the efficiency and effectiveness of local government.

BWA currently utilizes cooperative purchasing through state agencies, and Tarrant County. The agreement with the City of Benbrook will allow both parties to more efficiently procure supplies, equipment, and services while complying with state procurement laws. An example would be for concrete repairs – a vendor bid and approved by the City could be utilized by BWA for the same contracted price, without expending the time and effort to separately bid the work. Combining the purchasing power of the City and BWA will also lead to better pricing, benefitting both parties.

The agreement is for a term of one year, and may be terminated by either party with thirty days notice.

## Financial Impact

There is no measurable financial impact to the agreement.

STATE OF TEXAS §

COUNTY OF TARRANT §

### INTERLOCAL COOPERATION AGREEMENT

This AGREEMENT is entered into on this \_\_\_\_ day of August, 2022, by and between the City of Benbrook ("City") and the Benbrook Water Authority ("Authority").

**WHEREAS**, this Agreement is authorized under Chapter 791 of the Texas Government Code and Subchapter F, Chapter 271, Texas Local Government Code; and

**WHEREAS**, Section 271.102 of the Texas Local Government Code authorizes a local government to participate in a cooperative purchasing program with another local government or a local cooperative organization; and

**WHEREAS**, a local government that purchases goods and services pursuant to a cooperative purchasing program with another local government satisfies the any state law requiring the local government to seek competitive bids for the purchase of the goods or services; and

**WHEREAS**, the parties desire to enter into a cooperative purchasing program which will allow each party to purchase goods and services under each other's competitively bid contracts pursuant to Subchapter F, Chapter 271 of the Texas Local Government Code;

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

#### I. PURPOSE

The purpose of this Agreement is to establish a cooperative purchasing program between the parties, which will allow each party to purchase goods and services under each other's competitively bid contracts pursuant to Subchapter F, Chapter 271 of the Texas Local Government Code.

#### II. TERM

The term of this Agreement shall be a period of one (1) year commencing on the last date of execution hereof ("Effective Date"). Thereafter this Agreement shall automatically renew for successive periods of one (1) year each under the terms and conditions stated herein, unless sooner terminated as provided herein.

#### III. TERMINATION

Either party may terminate this Agreement by providing thirty (30) days prior written notice to the other party.

#### IV. PURCHASING

The City Mayor, Board President or other designee for each party is authorized to act



on behalf of the respective party in all matters relating to this cooperative purchasing program. Each party shall make payments directly to the vendor under the contract made pursuant to Subchapter F, Chapter 271 of the Texas Local Government Code. Each party shall be responsible for the respective vendor's compliance with provisions relating to the quality of items and terms of delivery.

## V. MISCELLANEOUS

- 5.1 **Relationship of Parties:** This Agreement is not intended to create, nor should it be construed as creating a partnership, association, joint venture or trust.
- 5.2 **Notice:** Any notice required or permitted to be delivered hereunder shall be deemed received when sent in the United States Mail, Postage Prepaid, Certified Mail, Return Receipt Requested, or by hand-delivery addressed to the respective party at the address set forth below the signature of the party.
- 5.3 **Amendment:** This Agreement may be amended by the mutual written agreement of both parties hereto.
- 5.4 **Severability:** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.
- 5.5 **Governing Law:** The validity of this Agreement and any of its terms and provisions as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Courts of Tarrant County, Texas.
- 5.6 **Entire Agreement:** This Agreement represents the entire agreement among the parties with respect to the subject matter covered by this Agreement. There is no other collateral, oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.
- 5.7 **Recitals:** The recitals to this Agreement are incorporated herein.
- 5.8 **Counterparts:** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

**EXECUTED** this the \_\_\_\_\_ day of August, 2022.

**BENBROOK WATER AUTHORITY  
A WATER RECLAMATION AND  
IMPROVEMENT DISTRICT**

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Karen Henderson, President  
Benbrook Water Authority  
PO Box 26929  
1121 Mercedes Street  
Benbrook, Texas 76126

Attest:

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Sheila Rushing  
Executive Assistant

**CITY OF BENBROOK  
A MUNICIPAL CORPORATION**

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Jason Ward, Mayor  
City of Benbrook  
911 Winscott Road  
Benbrook, Texas 76126

Attest:

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Joanna King  
City Secretary

