

**Regular Called Meeting  
Riverbend Water Resources District  
Board Meeting Minutes  
November 18, 2015**

Location: 3930 Galleria Oaks, Texarkana, TX 75503

**A G E N D A**

**I. Call to Order, Roll Call, and Establishment of Quorum and Certification of Notice**

Pursuant to noticed posted on the district website on Friday, November 13, Sean Rommel, President of the Board, called the meeting to order at 12:10 p.m.

**Directors Present:**

Sean Rommel <i>President</i>	Fred Milton <i>Secretary</i>	Marshall Wood <i>Treasurer</i>	Kelly Mitchell <i>Member</i>
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**Directors Absent:**

Jim Green  
*Vice President*

**Administration Present:**

Elizabeth Fazio  
*Chief Operating Officer*

**Public Present:**

Doug Bowers City Manager <i>City of Nash</i>	David Glass Smith Weber LLP <i>RWRD Attorney</i>	Steve Mayo Regional Water Liaison <i>City of Texarkana</i>
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John Whitson City Manger <i>Ward Timber</i>	Jeff Lewis City of Texarkana Attorney
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**II. Innovation** Fred Milton led the invocation.

**III. Public Comments**

None.

#### **IV. Agenda Items for Individual Consideration**

##### **A. Discussion and possible action regarding October 27, 2015 minutes.**

A motion was made by **Marshall Wood** and seconded by **Fred Milton** to approve the October 27, 2015 minutes. The motion was approved unanimously.

##### **B. Discussion and possible action regarding October 2015 financial statements.**

A motion was made by **Marshall Wood** and seconded by **Kelly Mitchell** to approve the October financials. The motion was approved unanimously.

##### **C. Discussion and possible action regarding the FY 2015-2016 budget and supplemental "additional needs" budget.**

Sean Rommel thanked everyone for their participation in this process. Lots of work was done by the member entities to come up with a solution for our additional needs budget. Several Mayors' Meetings were held with active participation and feedback. Also, thank you to Steve Mayo for his facilitation and attendance at those meeting.

Liz Fazio presented the Supplemental Budget and adjustments made to the City of Texarkana, Texas' contribution. City of Texarkana, Texas' amount was adjusted to reflect their consumption, as well as production usage. These numbers are currently used in the "true-up process" and in the calculation of the Riverbend fee. We adjusted these numbers in the calculation of the Supplemental Contribution in order to remain consistent with methodologies.

Jeff Lewis provided comments suggesting that in the near future funding agreements for all member entities be looked at and gone over again. Riverbend has several new members, which it was intended that once membership grew and others were contributing, the City of Texarkana's fee amount was intended to go down.

Marshall Wood provided comments clarifying county membership. They do not pay fees because they do not consume water like a municipal member. The purpose of their participation was for Riverbend to expand its footprint for planning purposes. They are not in a fee agreement with Riverbend, and therefore, will not be entitled to receive refunds in the future from the district unless a fee agreement is reached in the future.

John Whitson provided comments on how the supplemental fee could impact the budget for City of Texarkana, Texas, and whether it will be passed through to the customer on the water bill or taken from somewhere else in the budget.

Several directors of Riverbend expressed how the Riverbend fee is currently labeled on the Texarkana Water Utility bill. It is suggested that such specific line-item might not be appropriately placed on the TWU bill to customers because it is not representative of how the Riverbend fee is calculated nor is it representative of how the fee is actually paid by the city. This might cause some confusion to the water customer on how the funds that they pay are being appropriated. It could also be seen as a “promise” to each individual customer for future credits directly from Riverbend.

Doug Bowers provided comments on if the TexAmericas Center transfer takes place, how will their amount of participation be factored into the Supplemental Budget. Additionally, how will the transfer of wet utilities effect the membership of TexAmericas Center in Riverbend. With the transfer still not complete and many agency approvals still pending, this issue has not been addressed yet. Riverbend intends to continue working through these details.

A motion was made by **Fred Milton** and seconded by **Kelly Mitchell** to approve the Supplemental Budget for 2015-2016. The motion was approved unanimously.

#### **D. Discussion and possible action regarding Lake Wright Patman and various regional water issues with Steve Mayo.**

Steve Mayo provided comments on the region’s interactions with the US Army Corps. Riverbend, along with the City of Texarkana and several other member entities, has provided to the Corps resolutions supporting that these entities through Riverbend be supported as the local sponsor for current and future re-allocations of water from Lake Wright Patman. The region is still attempting to get a meeting set-up with the Metroplex entities, especially those participants in the

Fred Milton provided comments on the most recent Sulphur River Basin Authority. Public remarks continued to express concerns around transparency, public meetings laws, past and ongoing studies, SRBA support of Riverbend and City of Texarkana et. al. as local sponsors, etc. Concerns were also expressed about stakeholder participation.

As a reminder, SRBA is under Sunset Review by the State of Texas. Public Comments are preliminarily being solicited by the agency and are due December 18, 2015.

**E. Discussion and possible action regarding update on transfer of TexAmericas Center wet utilities.**

Liz Fazio provided an update to the board regarding the transfer of TexAmericas Center wet utilities. Several items were covered, including:

1) **PUC Timeline for Approval of Transfer** - the initial calculation of how long the PUC has to review the transfer has been extended to January 21. This could impact the ultimate closing date.

2) **TWDB Bond Approval for Issuance of Debt** - Riverbend continues to work with financial advisors and bond counsel to complete the bond process for a series of bonds through TWDB. Due to the holidays and some movement of board meetings, our agenda item has been moved to December 14, 2015.

3) **PUC Request for Additional Information** - Riverbend and TexAmericas Center both received clarifying staff questions. We are working together to provide responses to those and will meet the deadline for submitting those responses. There is much more work to be done with respect to a 5-year cashflow projection. We are working together with Holidays Lemmons and Cox to prepare those projections. This work is extensive and time consuming, but will prepare us to learn more about Riverbend's capability to repay bond indebtedness.

4) **Private Bond Issuance** - The district has asked Regions Bank to hold open their offer for the financing of bonds for Riverbend. Regions has indicated that they would hold open the offer through the end of the year. Regions still remains the best option for financing the Series B bonds. While there has been discussion in the past about whether TWDB would be an option for finance, they currently do not provide financing for industrial wastewater projects. It would take time to work with them

5) **MOU with TexAmericas Center** - We still need to approve a memorandum of understanding on outstanding closing items. This includes a profit split and how to go about making that profit split in the middle of a fiscal year. Right now, TexAmericas Center has suggested that they receive a minimum of \$47,000 which is one-fourth of the projected revenue for TexAmericas Center approved by their board at \$188,000. The real variable for Riverbend will be how much more our bond repayments will be compared to TexAmericas.

6) **Lease Agreements** - We are working on details to the Lease Agreements, including liability provisions, renewal provisions, common area fees, and property taxes.

7) **Tri-Party Agreements** - These need to be reviewed further by all Directors. The CCN for TexAmericas Center East Campus belongs to City of Texarkana,

Texas per an agreement from 2011 and an amendment in 2012. Right now Riverbend is pursuing all TexAmericas Center CCNs through the PUC process.

**F. Discussion of resolution to give President and CEO/ Executive Director authority to execute documents ancillary to the Agreement for Purchase and Sale of Assets and Assignment and Assumption of Contract Rights by and Between TexArmeicas Center and Riverbend Water Resources District.**

Liz Fazio presented information that TexAermicas Center has asked us to go forward with approving and signing the MOU, Tri-Party Agreements, Lease Agreements.

Sean Rommel commented that his preference along with several other diretors' preference is that these items be approved by entire board and can be approved through a Special Called Meeting for approval by the entire board.

**G. Discussion and possible action regarding appointment of a strategic advisory committee.**

No action.

**H. Discussion and possible action regarding the Executive Director/ CEO position.**

Sean Rommel commented that a Special Called Meeting on this item would be scheduled for December 8, 2015.

**V. Reports**

**A. Directors**

None.

**B. Administration**

None.

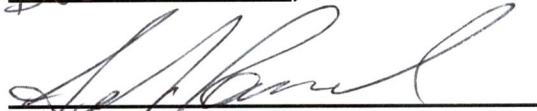
**VI. Next Regular Meeting**

The next regular meeting of the Riverbend Water Resources District Board of Directors is scheduled for **Thursday, December 17, 2015 at 12:00 p.m.** at 3930 Galleria Oaks, Texarkana, TX 75503.

**VII. Adjournment**

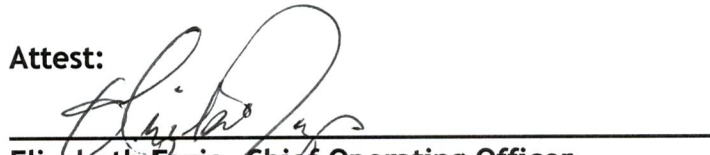
With no additional business to be discussed, a motion was made by Fred Milton and seconded by Jim Green to adjourn the meeting at 1:24 p.m. The motion approved unanimously.

The previous minutes of Riverbend Water Resources District Board of Directors meeting, November 18, 2015 were read and approved on the 17<sup>th</sup> day of DECEMBER, 2015.



**Sean Rommel, President**

**Attest:**



**Elizabeth Fazio, Chief Operating Officer  
Riverbend Water Resources District**