

**Special Called Meeting
Riverbend Water Resources District
Board Meeting Minutes
November 26, 2013**

Location: 28 Morris Lane Suite 118, Texarkana, TX 75503

A G E N D A

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

Fred Milton, Chairman of the Board, called the meeting to order at 12:05 p. m. and welcomed the guests in attendance.

Director's in Attendance:

Fred Milton	Kelly Mitchell	Marshall Wood	Sean Rommel	James Carlow
<i>President</i>	<i>Vice-President</i>	<i>Secretary</i>	<i>Treasurer</i>	<i>Board member</i>

Staff in Attendance:

Scott Albert
Executive Director

Others in attendance:

Paige Alexander	Bill King	Jim Cornelius	Charles Bassett
<i>Texarkana, Gazette</i>	<i>TWU Executive Director</i>	<i>TWU CFO</i>	<i>City of Texarkana TX CFO</i>

Kristin Peeples	Wendall Davis
<i>City of Texarkana, TX Financial Service Manager</i>	<i>Red River Water Supply Corp</i>

II. Public Comments:

No comments

III. Agenda Items for Individual Consideration

A. Discussion and possible action regarding the October 2013 financial statements.

RWRD Executive Director stated the district's cash on hand at month end for October 31, was \$294,000. He also mentioned the \$196,973 in liabilities under deferred revenue represents Riverbend fees received during FY 2012-13. The only unusual expense during the month of October was a single payment to NorthFork LTD in the amount of \$6,600 which covers the Districts rent from November 1, 2013 through October 31, 2014.

A motion was made by Marshall Wood and seconded by Kelly Mitchell to accept the RWRD October 2013, financial report. The motion was approved unanimously.

B. Discussion and possible action regarding the Executive Directors expense reports 7 and 8.

RWRD Executive Director mentioned expense report 7 includes cost associated with producing copies of the CH2M Hill and HDR engineering reports for MWH engineering.

A motion was made by Kelly Mitchell and seconded by Sean Rommel to accept the Executive Directors expense reports 7 and 8. The motion was approved unanimously.

C. Discussion and possible action regarding the 2012 audit.

Chris Knauth from Vail & Knauth offered a general overview of the 2012 audit by phone. Chris stated his firm has been with Riverbend since 2011. Vail and Knauth were able to perform a full scope audit as required by the state under government auditing standards as well as AIPPA standards. The Districts audit team was pleased with the progress Riverbend has made in a relative short period of time. Chris stated the District proprietary fund at year end was (\$430,145) and total operating expenses during the year were \$201,132. The District has a negative 4.3 months of reserves because we had to defer monies received. Riverbend is in a start mode and it's not unusual to see this type of activity in a company/organization just starting. When Riverbend is able to provide services in a significant way, deferred revenue balances will be amortized into revenue which will relieve Riverbend's liabilities and improve the Districts financial position and then will increase Riverbend's reserves above zero. Vail and Knauth gave Riverbend the highest opinion possible which is an unqualified audit opinion which is a clean opinion.

Marshall Wood moved to approve the 2012 audit which was seconded by Sean Rommel. The motion was approved unanimously.

D. Discussion and possible action regarding the consensus amount for the 2014 monthly payments in relation to New Boston, Hooks, DeKalb, Wake Village, Maud, Avery, Annona, TexAmericas, Texarkana, TX (potable water rate, true-up, infrastructure and debt).

The Executive Director stated Riverbend is required to place on the Board of Directors November meeting agenda a consensus amount for next year's contracting cities monthly payment. Texarkana's director on the Riverbend Board must formally recommend next year's Potable Water Rate, and Riverbend's Executive Director must formally recommend the new Riverbend Fee. A simple majority vote of the Riverbend Board of Director's in favor of the new monthly payment shall establish, for contracting cities, the new monthly payment. The Executive Director also stated based upon data available to date and since the majority of member entities have already approved the 2014 monthly payment he recommends approving

the 2014 monthly payment and maintain the Riverbend Fee at \$0.045.

Marshall Wood moved to approve the 2014 monthly payment as shown in the staff memorandum and maintain the Riverbend fee at \$0.045 which was seconded by Kelly Mitchell. The motion was approved unanimously.

IV. **Reports:**

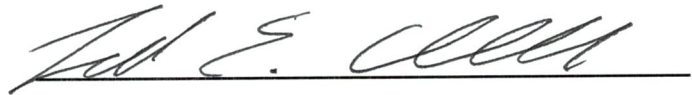
A. **Executive Director:**

Executive Director stated he will be preparing a staff report for October and November within the coming weeks. He was complimentary towards recent cooperation from TWU in regard to release of data during the past two weeks.

- B. **RWRD Board Members:** Kelly Mitchell mentioned he was concerned about Mr. Albert having to acquire a corporate credit card and assuming liability on behalf of Riverbend. Mr. Wood suggested Texar work with Riverbend in acquiring a credit card. Staff will coordinate with Mr. Mitchell w/ establishing a business credit card for Riverbend through Texar.

- V. **Adjourn:** With no additional business to be discussed, a motion was made by Marshall Wood and seconded by James Carlow to adjourn meeting. The motion was approved unanimously.

The above and foregoing minutes of Riverbend Water Resources District Board of Directors meeting, November 26, 2013 were read and approved on the 19th day of December, 2013.



Fred Milton, President

Attest:



Marshall Wood, Secretary