

**Regular Called Meeting
Riverbend Water Resources District
Board Meeting Minutes
January 13, 2016
3930 Galleria Oaks, Texarkana, TX 75503**

MINUTES

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

Pursuant to a notice posted on the district website on January 8, 2016, Sean Rommel, President of the Board, called the meeting to order at 12:10 p.m.

Directors Present:

Sean Rommel, President
Jim Green, Vice President
Fred Milton, Secretary
Kelly Mitchell, Director

Directors Absent:

Marshall Wood, Treasurer

Administration Present:

Elizabeth Fazio, Executive Director/ CEO
David Glass, RWRD Attorney, Smith Weber LLP

Public Present:

Doug Bowers, City Manager, City of Nash
Robert Bunch, Mayor of Nash, City of Nash
James Carlow, Bowie County Judge, Bowie County
Steve Mayo, Regional Water Liaison, City of Texarkana
J.D. Phillips, TWU Interim Director, City of Texarkana
John Whitson, City Manager, City of Texarkana

II. Innovation

Fred Milton led the invocation.

III. Public Comments

No public comments.

IV. Agenda Items for Individual Consideration

A. Discussion and possible action regarding December 17, 2015 minutes.

A motion was made by **Fred Milton** and seconded by **Jim Green** to approve the December 17, 2015 minutes as corrected. The motion was approved unanimously.

B. Discussion and possible action regarding December 2015 financial statements.

Liz Fazio reported that the December 2015 financials reflect additional income from the member entities' supplemental fees. Also, the December 2015 financials reflect a first payment of approximately \$12,000 to Holliday, Lemons & Cox, PC for the production of five-year cashflows for the acquisition of the wet utilities at TexAmericas Center.

A motion was made by **Kelly Mitchell** and seconded by **Jim Green** to approve the December financials. The motion was approved unanimously.

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

Steve Mayo provided comments recapping the meeting between US Corps and Steve Mayo, John Whitson, Jeff Lewis, and Liz Fazio. A letter to the US Corps has been drafted memorializing the meeting and continuing to request local sponsorship of any further rights that will be allocated out of Lake Wright Patman.

John Whitson provided comments that the SRBA Agenda for next week contains an item labeled, "Discuss letter to John Whitson." It is unsure what this letter is about but it is likely that it contains a response to the City of Texarkana, Texas's request for acknowledgement of the city's current senior rights on behalf of itself and member entities in Lake Wright Patman and support for future water rights/allocations from Lake Wright Patman to be held by Riverbend and its member entities.

D. Discussion and possible action regarding Texas Water Days in Washington, DC.

Liz Fazio reported that the Texas Water Conservation Association would be hosting its annual Texas Water Days in Washington DC February 3-5.

A motion was made by **Jim Green** and seconded by **Fred Milton** to approve airfare for Liz Fazio to attend Texas Water Days in Washington, DC and \$100 sponsorship. The motion was approved unanimously.

E. Discussion and possible action regarding update on transfer of TexAmericas Center wet utilities with Scott Norton.

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

1) PUC Approval of Transfer - On December 22, 2015, the staff of the Public Utility Commission of Texas granted final approval for the transfer of two CCNs (No. 13210 and No. 21067). This approval is conditional upon a monthly reporting of the status of the transfer and submission of closing documents finalizing the transfer.

2) Novation of the US Army Contract for Water and Wastewater Services - Scott Norton provided an updated that the novation of the contract between the US Army and TexAmericas Center to Riverbend is moving along the pipeline. TexAmericas Center and Riverbend have worked diligently with Red River Army Depot to get the US Army adequate information necessary to completed the novation in an expeditious manner. It is being reviewed by the appropriate individuals at the federal level in Washington DC.

3) TWDB and Regions Bond Issuances - On December 14, the Texas Water Development Board ("TWDB") approved a \$5 million loan from the Texas Water Development Fund to finance Series A bonds for the planning and acquisition of the TexAmericas Center wet utilities. It is anticipated that an additional \$7 million will be financed through Regions Bank to finance Series B bonds for the support of industrial water and wastewater projects also associated with the wet utilities in the foot print of TexAmericas Center.

4) MOU on Outstanding Items Pertinent to Closing - The closing is now anticipated for March 16, 2016 with an effective date of April 1, 2016. The MOU still needs to be completed. It will need to address items like profits split after second quarter of fiscal year.

5) Lease Agreements - The drafting of lease agreements is proceeding. Riverbend has one more draft provision request to clarify that so long as Riverbend is a non-taxable entity, it will not be responsible for ad valorem taxes on the rented properties at TexAmericas Center.

6) Water Supply Agreements - On November 30, 2015 four agreements were laid before the City Council of Texarkana, Texas. Steve Mayo asked that these agreements be set aside for review before public comment and approval by the City Council.

7) Closing Documents - All closing documents are still in review by our Riverbend administration and attorney. All documents necessary for the issuance of bonds are being prepared by our financial advisors and bond counsel, in coordination with TWDB and Regions Bank.

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

No action.

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

The board went into executive (closed) session from 12:48 p.m. to 1:25 p.m. to discuss a personnel matter pursuant to Texas Open Meetings Act, Government Code, Section 551.074.

A motion was made by **Fred Milton** and seconded by **Jim Green** to approve the authority of the President to negotiate and finalize the terms of an Executive Director/ CEO employee agreement with Elizabeth Fazio entering consistent with essential terms set forth and agreed upon by the board. The motion was approved unanimously.

V. Reports

A. Board of Directors

Fred Milton reported on a matter of public concern regarding the positive outcome of medical tests conducted on his health.

B. Executive Director/ CEO

Sunset Advisory Commission (the “Commission”) Review of Sulphur River Basin Authority (“SRBA”)

Liz Fazio reported that the deadline of January 8, 2016 has passed for the initial online survey to be completed regarding public input to the Sunset Commission about SRBA. The Texas Legislature has charged the Sunset Advisory Commission with reviewing the mission and performance of SRBA. Based on the recommendation so the Sunset Commission, the Texas Legislature ultimately decides what changes are needed to improve SRBA's performance.

John Whitson commented that he understood that this initial round of comments would remain confidential and once the draft report was completed, that any comments provided as to the draft would be public.

VI. Next Regular Meeting

The next regular meeting of the Riverbend Water Resources District Board of Directors is scheduled for **Wednesday, February 10, 2016 at 12:00 p.m.** at 3930 Galleria Oaks, Texarkana, TX 75503.

VII. Adjournment

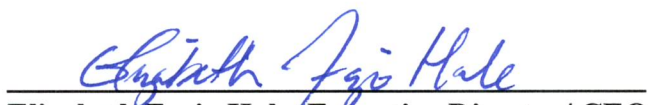
With no additional business to be discussed, a motion was made by **Fred Milton** and seconded by **Kelly Mitchell** to adjourn the meeting at 1:26 p.m. The motion was approved unanimously.

The previous minutes of Riverbend Water Resources District Board of Directors meeting, January 13, 2016 were read and approved on the 10th day of February, 2016.



Sean Rommel, President

Attest:



Elizabeth Fazio Hale, Executive Director/ CEO