

**Regular Called Meeting
Riverbend Water Resources District
Board Meeting Minutes**

March 2, 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 legally posted notice on the district website on February 26, 2016, the Chair, Sean Rommel, called the meeting to order at 12:07 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 Hale, Executive Director/CEO
David Glass, Smith Weber LLP, RWRD General Counsel
Michael Saporito, Intern

Public Present:

Doug Bowers, City Manager, City of Nash
Robert Bunch, Mayor of Nash, City of Nash
Mike Burke, City Administrator, City of Wake Village
Eli Hunt, Plant Manager, TexAmericas Center
Holli Sleek, Staff Accountant, TexAmericas Center
Frank Thomas, Financial Advisor, Wells Fargo Advisors
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 Lake Wright Patman and various regional water issues.

Postponed until later in the Agenda.

B. Discussion and possible action regarding February 10, 2016 minutes.

A motion was made by **Fred Milton** and seconded by **Jim Green** to approve the February 10, 2016 minutes. The motion was approved unanimously.

C. Discussion and possible action regarding the Supplemental (Renewal) and Warranty to the Interlocal Agreement for Risk Management Insurance Coverage for Liability, Property, Workers' Compensation, Auto, etc.

Liz Fazio Hale summarized information related to two presentations at the previous RWRD Regular Board Meeting on February 10, 2016 related to risk management insurance and liability coverage for the district. The district currently utilizes the Texas Conservation Water Association Risk Management Fund ("TWCA RMF"). Mrs. Fazio Hale recommended approving the renewal for the district with TWCA RMF.

A motion was made by **Kelly Mitchell** and seconded by **Fred Milton** to approve the renewal with TWCA RMF and the Supplemental and Warranty to the Interlocal Agreement, as necessary, for the liability insurance coverage for RWRD. The motion was approved unanimously.

D. Discussion and possible action regarding managing financial accounts, including but not limited to the following:

Agenda Item D was considered in conjunction with Agenda Item H.

1. Authorized signatures for the payment of invoices and payroll/personnel matters - Liz Fazio Hale provided information on the necessity of the district to approve a policy for authorizing signatures for the payment of invoices and payroll/ personnel once the transfer of the wet utilites occurs. The board asked Mrs. Fazio Hale to present a resolution for consideration adopting a pol-

icy that would include authorization of one signature under certain circumstances and a summary sheet for the authorization of the payment of numerous invoices within a certain timeframe.

No action.

2. Credit card numbers and limits - Liz Fazio Hale provided information that the district should also consider the issuance of two credit cards under the same account and with an increased balance availability with an aggregate of \$15,000. The purpose of two cards is for use by multiple employees at the same time and with separate numbers so that charges could more accurately be tracked. One card should be for a \$10,000 limit and the other card should be for a \$5,000 limit.

A motion was made by **Kelly Mitchell** and seconded by **Fred Milton** to approve the Executive Director/CEO, Elizabeth Fazio, to work with Texar Federal Credit Union to obtain two credit cards with separate numbers under the same credit account and for the Executive Director/ CEO, Elizabeth Fazio Hale, to request that the credit line to be increased to \$15,000 in the aggregate. The motion was approved unanimously.

3. Future accounts for receipt of bond funds - Liz Fazio Hale provided information that the board should consider where the bond proceeds and reserve funds would need to be set-up for the new issuance of bonds in connection with the purchase and acquisition of the wet utilities at TexAmericas Center. Regions Bank currently holds the bond proceeds for TexAmericas Center.

No action.

E. Discussion and possible action regarding the RWRD Personnel Policy Manual and Position Descriptions.

Liz Fazio Hale provided information to the board that the RWRD Personnel Policy Manual and RWRD Position (Job) Descriptions presented to the board are in line and nearly identical to those adopted at TexAmericas Center. In keeping with the purchase agreement to keep personnel items consistent, including benefits and personnel policies, Mrs. Fazio Hale recommends that the board adopt the presented RWRD Personnel Policy Manual and Position Descriptions.

David Glass commented that the RWRD Personnel Manual, as presented, was thorough and that the administration could work through any additional specifics in the near future once the transfer is complete.

A motion was made by **Fred Milton** and seconded by **Jim Green** to approve the RWRD Personnel Policy Manual and RWRD Position Descriptions, as presented to the board. The motion was approved unanimously.

F. Discussion and possible action regarding the RWRD Labor Table and RWRD 2016 Budget Worksheets for the Enterprise Fund - Wet Utilities.

Liz Fazio Hale provided information to the board that the RWRD 2016 Labor Table and RWRD 2016 Budget (Worksheets) for the wet utilities are also in line with the current TexAmericas Center Labor Table and Budget Worksheets. There has been one adjustment made to the Labor Table in order to add a position for Director of Finance and HR Management that was not previously included in the budget that TexAmericas Center had proposed for the transition. The funds to pay this position have been moved from other funds within the Labor Table and do not negatively effect the bottom-line of the Labor Table nor the Budget. The RWRD 2016 Budget proposed here is only for the wet utilities and will be known and the “Wet Utilities Enterprise (or Operating) Fund.” Mrs. Fazio Hale recommended that the board adopt the RWRD 2016 Labor Table and RWRD 2016 Budget for the Wet Utilities Enterprise Fund, as presented.

A motion was made by **Kelly Mitchell** and seconded by **Jim Green** to approve the RWRD Labor Table and RWRD 2016 Budget (Worksheets) for the Wet Utilities Enterprise Fund, as presented to the board. The motion was approved unanimously.

G. Discussion and possible action regarding the establishment of a 457b Retirement Account for RWRD Employees (Frank Thomas, Advisor, Wells Fargo).

Frank Thomas with Wells Fargo Advisors provided information on the current 457b Retirement Program that exists with TexAmericas Center as follows: 1) Nationwide serves as custodian, 2) INWEST serves as the third-party administrator, and 3) Frank Thomas along with Wells Fargo Advisors will serve as the Financial Advisor. The Trustee of the account will be an administrator with Riverbend, right now that is Liz Fazio Hale. Iron Financial is also available to serve as the fiduciary at a cost of 10 basis points, however that fiduciary duty can easily be fulfilled by the Trustee and Financial Advisor without additional cost.

Liz Fazio Hale also provided information that TexAmericas Center currently provides an employer matching contributions program up to 10% of an employee’s contributions as follows: 1-3% at \$2 to \$1, 4-7% \$1 to \$1, and 8-10% at \$.50 to \$1.

A motion was made by **Kelly Mitchell** and seconded by **Fred Milton** to approve an Interlocal Agreement establishing a 457b Retirement Program Plan with Wells Fargo Advisors for the employees of RWRD with an employer matching contributions program

consistent with a match up to 10% of an employee's contributions as follows: 1-3% at \$2 to \$1, 4-7% \$1 to \$1, and 8-10% at \$.50 to \$1.

H. Discussion and possible action regarding a resolution to give Executive Director/ CEO authority to execute all Interlocal Agreements and supporting documents for administrative and utility services ancillary to the wet utilities transfer, including but not limited to the following:

1. IT/Server Support (IT Works, DataCast, Dropbox, etc.)
2. Website Support and Logo/Branding Development
3. Internet, Phone, Cable, Electric, Gas, etc.
4. Cell Phones (Verizon)
5. Office Depot (Supplies)
6. Office Equipment (Machines)
7. Right Express (Gas)
8. Bowie County Distributors (Diesel)
9. Syntas (Uniforms)
10. Supply Works (Cleaning)
11. US Postal (Postage Meter)
12. Office Furniture (New and Used)

Agenda Item H was considered in conjunction with Agenda Item D, above.

Liz Fazio Hale presented a resolution to authorize the Executive Director/ CEO with authority to negotiate terms and execute agreements for the administrative and utilities associated with the transfer of the wet utilities.

Liz Fazio Hale provided an update on the purchase/acquisition of the wet utilities and the amount of administrative work being done to ensure that the transition is as smooth as possible for customers, contractors/vendors, and employees. In order for several of the administrative tasks to be completed, the Executive Director/CEO needs authority to negotiate terms and enter into contracts. A sampling of the items needing administrative authority are listed above.

A motion was made by **Kelly Mitchell** and seconded by **Jim Green** to approve a resolution (attached) granting authority to the Executive Director/CEO to execute all Interlocal Agreements and supporting documents for administrative and utility services ancillary to the wet utilities transfer. The motion was approved unanimously.

I. Discussion and possible action regarding update on transfer of TexAmericas Center wet utilities. This discussion may include, but is not limited to the following items:

Liz Fazio Hale provided an update on the following items:

1. Update on progress with CCN transfer and the PUC - No action/discussion;
2. Update on progress with U.S. Army - We are still waiting on the Novation. It should occur any day;
3. Update on financials and bond transactions with TWDB and Regions - As soon as the board is notified of Novation, the board will meet to discuss adoption of the two bond resolutions which will then go to the AG's Office for further approval;
4. MOU on outstanding items pertinent to the closing (RWRD/TAC) - No action/discussion;
5. Lease agreements (RWRD/TAC) - Approved by RWRD Board of Directors on February 10, 2016.
6. Water supply agreements (City of Texarkana/RWRD/TAC) - We are working with City of Texarkana to determine the exact amounts that have been spent on infrastructure related to the Economic Development Agreement of 2011 and its 2012 Amendment.
7. Closing documents - No action/discussion.

A. Lake Wright Patman and various regional water issues.

Agenda Item postponed from earlier in the Agenda.

Liz Fazio Hale provided an update that the Forth Worth District of the US Army Corps of Engineers ("USACE") held an open forum on the Sulphur Basin Feasibility Study in Texarkana, Texas at the Texarkana Community College in the Great Room on Tuesday, February 23, 2016. There were approximately 10-15 poster boards present around the room with several unidentified USACE employees and SRBA consultants present to answer questions. Questions and comments were received on a one-on-one basis.

Over 100 local citizens were present to learn more about the Sulphur Basin study and to engage in the process with the US Army Corps. Several attendees voiced concerns to members of Board of Directors of RWRD and to the Regional Water Liaison, Steve Mayo, that the process lacked a formal presentation sufficient to get citizens up-to-speed on the studies and the timeline of the overall study. Others voiced concern that that the forum was void of an open dialogue and the ability to share between one another thoughts and concerns.

The board asked Mrs. Fazio Hale to draft a letter to the USACE Fort Worth District summarizing the feedback that was received on our end and requesting a formal presentation and public hearing sponsored by the US Army Corps or in the alternative request administrators at the USACE Fort Worth District to attend a public hearing held by RWRD so that citizens may more fully understand the process and may voice comments openly and likewise hear the comments openly presented by others.

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

No action.

V. Reports

A. Board of Directors

None.

B. Executive Director/ CEO

None.


VI. Next Regular Meeting

The next regular meeting of the Riverbend Water Resources District Board of Directors is scheduled for **Wednesday, April 13, 2016** 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 12:37 p.m. The motion was approved unanimously.

The previous minutes of Riverbend Water Resources District Board of Directors meeting, March 2, 2016 were read and approved on the 13th day of April, 2016.



Sean Rommel, President

Attest:

Elizabeth Fazio Hale

Elizabeth Fazio Hale, Executive Director/CEO