

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

April 13, 2016

3930 Galleria Oaks, Texarkana, TX 75503

M I N U T E S

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

Pursuant to a notice posted on the District website on April 7, 2016, the Chair, Sean Rommel, President of the Board, called the meeting to order at 12:06 p.m.

Directors Present:

Sean Rommel, President
Fred Milton, Secretary
Marshall Wood, Treasurer (present later in meeting)
Kelly Mitchell, Director

Directors Absent:

Jim Green, Vice President

Administration Present:

Elizabeth Fazio Hale, Executive Director/ CEO
David Glass, Smith Weber LLP, RWRD General Counsel

Public Present:

Bart Brock, District Staff, Office of Representative Gary Van Deaver
Mike Burke, City Administrator, City of Wake Village
Richard Elrod, Self, Retired
James Carlow, County Judge, Bowie County
Scott Norton, Executive Director/CEO, TexAmericas Center
John Whitson, City Manager, City of Texarkana

II. Innovation

Fred Milton led the invocation.

III. Public Comments

Mike Burke provided public comment on the true-up process and a desire to begin review of that process sooner, particularly the budget and numbers from the City of Texarkana, TX and Texarkana Water Utility.

Marshall Wood now present.

Judge James Carlow provided public comment thanking both Riverbend Water Resources District and TexAmericas Center for the efforts in completing the transfer of the wet utilities and reflecting on how far the efforts have come to bring the area to this today.

IV. Agenda Items for Individual Consideration

The Chair laid out Items A. through G. simultaneously for discussion and possible action.

- A. Discussion and possible action regarding March 2, 2016 minutes.
- B. Discussion and possible action regarding March 14, 2016 minutes.
- C. Discussion and possible action regarding March 21, 2016 minutes.
- D. Discussion and possible action regarding March 31, 2016 minutes.
- E. Discussion and possible action regarding February 10, 2016 minutes - correction.
- F. Discussion and possible action regarding February 2016 financials.
- G. Discussion and possible action regarding March 2016 financials.

Liz Fazio Hale provided that the correction to the February 10, 2016 minutes is to reflect the motion and adoption to issue an RFP for the development of a Regional Water Mast Plan.

Liz Fazio Hale also provided that there was nothing notable or exceptional to report concerning the February and March financials

A motion was made by **Fred Milton** and seconded by **Kelly Mitchell** to approve the minutes for the following dates: March 2, 106; March 14, 2016; March 21, 2016; March

31, 2016 minutes; and February 10, 2016, as corrected. The motion was approved unanimously.

A motion was made by **Fred Milton** and seconded by **Kelly Mitchell** to approve the February and March financials. The motion was approved unanimously.

H. Discussion and possible action regarding review of RWRD Investment Policy.

Liz Fazio Hale provided information on the adoption of a new RWRD Investment Policy and Strategies. The District is required to review its Investment Policy annually. With the need for depository services, now was a good time to review the policy and adopt a new policy.

The new policy incorporates a list of investments acceptable to the District. It also standardizes who is an Investment Officer to be the Executive Director/CEO and the Director of Finance. It removes references to the CFO, as the District does not have a CFO. The new policy makes it clear that for depository services and other financial services, the District shall use a formal competitive RFP process. The new policy also incorporates a Certification on the last page for anyone that the District uses for investment/bank depository services.

A motion was made by **Kelly Mitchell** and seconded by **Marshall Wood** to approve the **RESO 20160413-01** authorizing the approval of the Investment Policy and Strategies of the RWRD for 2016.

I. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to execute an interlocal agreement and/or contract for bank depository services.

Liz Fazio Hale provided information on the bank depository services responses to the request for proposals. The District received four (4) proposals for bank depository services: Bank of the Ozarks; Regions; State Bank of DeKalb; and Texana.

Most of the proposals received were very close in nature to the services they each provided. With the financial market in a stalemate for interest earnings, the Executive Director/CEO recommends that District should most strongly weigh fees associated with services.

The bank proposal with the least fees associated with managing Riverbend accounts was State Bank of DeKalb, who will not charge for any and all transactions monthly under 200.

A motion was made by **Fred Milton** and seconded by **Marshall Wood** to approve **RESO 20160413-02** authorizing the Executive Director/CEO to execute an interlocal agreement/contract for bank depository services with State Bank of DeKalb.

J. Discussion and possible action regarding the approval of a resolution authorizing a requirement of one signature for any amounts under a certain amount to be determined and a requirement of two signatures for any amounts over that certain amount to be determined, and authorizing the addition of certain authorized signatories to the appropriate District bank depositories.

Liz Fazio Hale provided information on the need for requirement of one signature for any amounts under \$5,000.00 and requirement of two signatures for any amounts equal to or over \$5,000.00. All payroll will be direct deposit. The District will also be using a bank security system known as Positive Pay or Sure Pay whereby a list of payable checks is provided to the bank in advance of those being issued.

A motion was made by **Marshall Wood** and seconded by **Kelly Mitchell** to approve **RESO 20160413-03** authorizing a requirement of one signature for any amounts under \$5,000.00 and a requirement of two signatures for any amounts equal to and over \$5,000.00, and authorizing the addition of certain authorized signatories to the appropriate bank depositories, including Sean Rommel, Marshall Wood, Fred Milton, and Elizabeth Fazio.

K. Discussion and possible action regarding the approval of a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to execute an interlocal agreement with TML MultiState IEBP for the creation of a health reimbursement arrangement plan and retirement reimbursement arrangement plan for the purpose of providing health benefits support to District employees.

Liz Fazio Hale provided information on the need for health reimbursement arrangement and retirement reimbursement arrangement plans.

A motion was made by **Kelly Mitchell** and seconded by **Fred Milton** to approve **RESO 20160413-04** authorizing the Executive Director/CEO to execute interlocal agreement(s) for health reimbursement arrangement and retirement arrangement services with TML MultiState IEBP.

L. Discussion and possible action regarding the approval of a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to execute an update to the interlocal agreement with Texas Water Conservation Association Risk Management Fund, expanding coverage to the new wet utilities.

Liz Fazio Hale provided information on the need to update the interlocal agreement for risk management and liability insurance with the TWCA RMF.

A motion was made by **Kelly Mitchell** and seconded by **Marshall Wood** to approve **RESO 20160413-05** authorizing the Executive Director/CEO to update the interlocal agreement for risk management and liability insurance with the Texas Water Conservation Association Risk Management Fund.

M. Discussion and possible action regarding the approval of a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to execute an interlocal agreement and/or contract with Red River Army Depot for Analytical Services.

Liz Fazio Hale provided information on a services contract with Red River Army Depot for analytical laboratory services.

A motion was made by **Fred Milton** and seconded by **Kelly Mitchell** to approve **RESO 20160413-06** authorizing the Executive Director/CEO to execute an interlocal agreement with Red River Army Depot for analytical services, following review by general counsel.

N. Discussion and possible action regarding the approval of a resolution authorizing the President, Sean Rommel, to execute a Performance Bond with the US Army and TexAmericas Center as part of the Novation Agreement for the acquisition and operation of certain wet utilities.

Liz Fazio Hale provided information on a performance bond related to the acquisition of the wet utilities. The performance bond is for \$3,000,000.00 and is backed by property held by TexAmericas Center on TAC West.

A motion was made by **Marshall Wood** and seconded by **Fred Milton** to approve **RESO 20160413-07** authorizing the President to execute a performance bond with the US Army and TexAmericas Center as part of the Novation of the wet utilities.

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

1. Update on progress with CCN transfer and the PUC - No further update since the last meeting. The District is currently providing monthly updates as is required by the Final Order No. 5. Those updates are required until closing documents have been executed by both parties and filed with the PUC.

2. Update on progress with U.S. Army - The completion of the Novation of the US Army Contract for water and wastewater services from TexAmericas Center to RWRD is expected occurred on March 14, 2016. The Performance Bond was approved earlier int his agenda.
3. Update on financials and bond transactions with TWDB and Regions - Financial advisors and bond counsel have been working diligently to have all proper forms finished and filed with the Texas Office of Attorney General. Approval from the Texas OAG is expected well before the April 28, 2016 closing date.
4. MOU on outstanding items pertinent to the closing (RWRD/TAC) - The MOU, now an MOA, will be executed along with other closing documents. This MOA will include an agreement on various “loose end” items, mainly dates, but also an agreement on profit-split.
5. Lease agreements (RWRD/TAC) - There may be an amendment to the lease language previously approved.
6. Water supply agreements (City of Texarkana/RWRD/TAC) - The District is still working with the City of Texarkana, Texas on the final numbers for the infrastructure on TAC East. There is a follow-up meeting planned next week. The water supply agreement for the wet utilities will be novated and the District may want to consider a new water contract, once the TAC East Infrastructure is transferred to the District.
7. Closing documents - There are approximately 12-15 closing documents. It is suggested that the District plan a Special Called Meeting for Monday,

The Board went into executive (closed) session from 1:01 p.m. to 1:11 p.m. to receive legal advice from its attorney pursuant to Texas Open Meetings Act, Government Code, Section 551.071.

V. Reports

A. Board of Directors

Sean Rommel provided comment on the public meeting held at Texarkana City Council Chambers for the purpose of collecting public comments and feedback related to the ongoing Sulphur River Basin Feasibility Study and thanked those in attendance, as well as the City of Texarkana, Texas for allowing Riverbend Water Resources District to host the meeting in the City Council Chambers.

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, May 11, 2016 at 12:00 p.m.**

A special called meeting of the Riverbend Water Resources District Board of Directors is scheduled for **Monday, April 25, 2016 at 12:00 p.m.**

VII. Adjournment

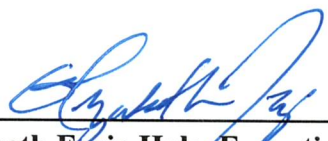
With no additional business to be discussed, a motion was made by **Marshall Wood** and seconded by **Fred Milton** to adjourn the meeting at 1:12 p.m. The motion was approved unanimously.

The previous corrected minutes of Riverbend Water Resources District Board of Directors meeting, May 11, 2016 were read and approved on the 11th day of May, 2016.



Sean Rommel, President

Attest:



Elizabeth Fazio Hale, Executive Director/ CEO