

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

April 25, 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 April 21, 2016, the Chair, Sean Rommel, called the meeting to order at 12:03 p.m.

Directors Present:

Sean Rommel, President
Jim Green, Vice President
Marshall Wood, Treasurer
Kelly Mitchell, Director

Directors Absent:

Fred Milton, Secretary

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
James Carlow, County Judge, Bowie County
Scott Norton, Executive Director/CEO

II. Innovation

Sean Rommel led the invocation.

III. Public Comments

None.

IV. Agenda Items for Individual Consideration

A. Discussion and possible action regarding the approval of a resolution to purchase the infrastructure on TAC-East from the City of Texarkana, TX.

Liz Fazio Hale provided information regarding the infrastructure on TAC East. Mrs. Fazio Hale, Marshall Wood, and David Glass met with representative from the City of Texarkana, Texas and Steve Mayo last week to further discuss the cost and logistics of obtaining the TAC East infrastructure. John Whitson, City Manager, asked that the District provide an adopted resolution asking to purchase the TAC East infrastructure.

A motion was made by **Marshall Wood** and seconded by **Kelly Mitchell** to approve the **RESO 20160425-01** authorizing the District to enter into negotiations and execute a purchase agreement with the City of Texarkana, Texas for certain portions of infrastructure on TAC East.

B. Discussion and possible action regarding the approval of a resolution authorizing the President, Sean Rommel; Secretary, Fred Milton; Executive Director/CEO, Elizabeth Fazio; and David Glass, General Counsel to execute all closing documents related to the transfer of TexAmericas Center wet utilities. These closing documents may include, but are not limited to the following items:

Liz Fazio Hale and Scott Norton provided detailed information on each of the following closing documents for the transfer of the wet utilities:

1. Assignment and Assumption of Easement Agreements (RRAD, Non-TAC Parcels) - this is an assignment of easements rights that the District will need in order to perform services for the army, they are easements owned by the army not TAC;
2. Assignment and Assumption (Sewer Discharge Permit) - this is an agreement that TAC will transfer its rights in the sewer discharge permit at TCEQ to the District;
3. Assignment and Assumption Agreement (CCNs) - this is an assignment of CCNs that TAC previously held in TAC's name, No. 13210 and No. 21067 to the District, acknowledging that some portion of a CCN may have been given to Texarkana but that Texarkana never filed for the rights to that CCN;
4. Assignment and Assumption of Wet Utilities Water Supply Contract with Texarkana - this is the assignment of an existing water supply contract with the City of Texarkana, Texas where the District will step into the shoes of TexAmericas Center and assume the water supply contract, including and additional 25,000 acres of water for industrial use by the army and at the true-up rate provided to member cities;
5. Bifurcation & Assignment and Assumption of Lease in Furtherance of Conveyance - this assignment is for lease in further of conveyance where the army

still holds rights to portions of real property for remediation purposes, once those lands are fully remediated they will be transferred to the District and the TAC respectively;

6. Bill of Sale and Assignment Agreement (Personal Property) - this bill of sale is for the personal property, including trucks, equipment, computers, supplies, etc. Sean Rommel requests that the agreement reflect that facility computers retain important historical data and a copy of schedule I-1;
7. Bill of Sale and Assignment Agreement (Sewer Plan - Real Property) - this bill of sale is for the real property including approximately 5.62 acres of land where the X Plant (domestic wastewater treatment facility) is located;
8. Deed without Warranty (Wastewater Treatment Plant and Access Easement) - this is the deed for the X Plant, there was a prior discussion related to the warranty and the District has asked to include language that liability be released except for any gross negligence and intentional, knowing negligence;
9. Easement Agreement for Utilities (TAC Easement) - this is an assignment of easements rights held by TAC to maintain and serve properties on the TAC footprint for the purpose of providing water and sewer services;
10. Interlocal Agreement TexAmericas Center – Riverbend Water Resources District (Water and Sewer Services Rate Agreement) - this is a 30-year agreement between the District and TexAmericas Center for water supply, TAC will receive the lowest rate on water provided to any other customer of the District, excluding the rate provided to the federal government;
11. Interlocal License Agreement TAC & RWRD - this is the agreement that enables the District to operate on the TAC footprint and includes a franchise free to TAC for a period of 30 years;
12. Lien on Real Property (To fulfill Performance Bond for US Army) - this lien is a lien on the TAC West property provided by TexAmericas Center as a surety to the military for the continued and proper functioning of the District for the next two years;
13. Promissory Note - this promissory note is for a loan not to exceed one year in the amount of \$900,000 from TexAmericas Center to the District at 3.5% interest but interest free so long as full repayment occurs within the first 12 months;
14. Security Agreement - this security agreement goes along with the promissory note and is a security lien on any and all accounts or property owned by the District should the District fail to pay the loan back, with the exception of priority behind TWDB and Regions Bonds;
15. RWRD - TAC MOU (MOA) - this finalizes any additions and agreements to the original Purchase Agreement between TexAmericas Center and the District, including a 7/12ths split of the revenue budgeted for at the end of the FY 2015-2016; and
16. Lease Agreements (revisit) - the leases are being re-visited to add language that makes it clear that the District can continue to have the leases at a rate in ex-

change for future water credits, so long as the District continues to provide water or sewer services on the TAC footprint.

The Board went into executive (closed) session from 1:09 p.m. to 1:13 p.m. to receive legal advice from its attorney pursuant to Texas Open Meetings Act, Government Code, Section 551.071.

A motion was made by **Kelly Mitchell** and seconded by **Marshall Wood** to approve the **RESO 20160425-02** authorizing the President, Secretary, Executive Director/CEO, and/or General Counsel to execute all closing documents ancillary to the "Agreement for Purchase and Sale of Assets and Assignment and Assumption of Contract Rights" with Tex-Americas Center on behalf of the Riverbend Water Resources District, including any changes to the lease agreements.


V. Next Regular Meeting

The next regular meeting of the Riverbend Water Resources District Board of Directors is scheduled for **Wednesday, May 11, 2016** at our NEW location at 228 Texas Avenue, Suite A, New Boston, Texas 75570.

VI. Adjournment

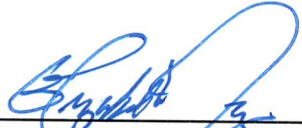
With no additional business to be discussed, a motion was made by **Marshall Wood** and seconded by **Kelly Mitchell** to adjourn the meeting at 1:14 p.m. The motion was approved unanimously.

The previous minutes of Riverbend Water Resources District Board of Directors meeting, April 25, 2016 were read and approved on the 11th day of May, 2016.



Sean Rommel, President

Attest:



Elizabeth Fazio Hale, Executive Director/ CEO