

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

January 11, 2017

228 Texas Avenue, Suite A, New Boston, Texas 75570

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 4, 2017, the Chair, Marshall Wood, Vice President of the Board, called the meeting to order at 12:04 p.m.

Directors Present:

Marshall Wood, Vice President
Fred Milton, Treasurer
Kelly Mitchell, Secretary
Sean Rommel, Past President

Directors Absent:

Jim Green, President

Administration Present:

Elizabeth Fazio Hale, Executive Director/ CEO
David Glass, General Counsel
Eli Hunt, Systems Manager
Becky Melton, Financial Director/HR Manager

Public Present:

Doug Bowers, City Manager, City of Nash
Bart Brock, Staff, Representative Gary Van Deaver
Mike Burke, City Administrator, City of Wake Village
Mike Buttram, SRBA, Contract Staff and Self, Retired
Hal Harris, General Manager, Central Bowie County Water Supply Corporation
Herman Sattemayor, RSAH2O

II. Innovation

Fred Milton led the invocation.

III. Public Comments

No Public Comment.

IV. Agenda Items for Individual Consideration

A. Discussion and possible action regarding November 9, 2016 Special Called Meeting and November 16, 2016 Regular Called Meeting minutes.

A motion was made by **Fred Milton** and seconded by **Sean Rommel** to approve the minutes for the November 9, 2016 Regular meeting. The motion was approved unanimously.

A motion was made by **Sean Rommel** and seconded by **Fred Milton** to approve the minutes for the November 16, 2016 Regular meeting. The motion was approved unanimously.

B. Discussion and possible action regarding October and November monthly investment reports and financial statements on all accounts (General and Wet Utilities) current accounts and funds.

Becky Melton provided an update on the October and November financials for the General Fund and Wet Utilities Funds. Mrs. Melton noted that Riverbend worked with the Army to establish an acceptable formula for wastewater calculations. Due to the uncertainty of this agreed upon formula, there was a delay in Army payments for both October and November.

The funds are currently being audited by Holliday Lemons & Cox, P.C., and an auditors copy of the funds is out. Changes to the funds even going forward are prohibited until the audit is complete. A few small changes still need to be made to the funds; therefore, no action is recommended on these financials at this time.

No action taken.

C. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to execute an agreement for the review of certain studies being conducted in the Sulphur River Basin.

Liz Fazio Hale provided information on several studies being conducted in the Sulphur River Basin, more specifically several studies ongoing by the Sulphur River Basin Authority. In order to more clearly understand the impact of these studies, Mrs. Fazio Hale suggested that Riverbend engage Carlos Rubinstein and his partner Herman Settemeyer, with RSA H2O, an engineer consulting firm, to review the studies and

identify key elements of the studies. This agreement for services is on a month-to-month basis and is billed in 15 minute increments.

Herman Settemeyer provided information on the RSA H2O firm relating to members and experience of the team.

A motion was made by **Sean Rommel** and seconded by **Fred Milton** to approve **RESO 20170111-01** authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to execute an agreement for the review of certain studies being conducted in the Sulphur River Basin. The motion was approved unanimously.

D. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to develop and execute a schedule for implementing changes to the Riverbend commercial and residential water and wastewater rates, deposits, retail agreements, minimum charges, etc.

Liz Fazio Hale provided information on current water and wastewater rates on the TexAmericas Center footprint. These rates have not been adjusted since Red River Redevelopment Authority took over the utilities from the Army. After an analysis of facility charges and funds needed to adequately support our bond payments, there is a gap in residential and commercial facility charges supported by the rates. Mrs. Fazio Hale asked that the Board approve a timeline for notice and review of proposed water and wastewater rate changes. She suggested that Riverbend send a letter of notice to customers with proposed water and wastewater changes in February; the Board hold a minimum of two opportunities for public comment at the February and March regular meetings; water and wastewater rate changes be adopted at the April regular meeting; and adopted water and wastewater rate changes be effective May 1, 2017.

Sean Rommel clarified that this resolution authorized only the approval of proposed rate changes and a timeline for executing those proposed changes, and that rates would further be formally adopted by the Board.

A motion was made by **Sean Rommel** and seconded by **Kelly Mitchell** to approve **RESO 20170111-02** authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to develop and execute a schedule for implementing changes to the Riverbend commercial and residential water and wastewater rates, deposits, retail agreements, minimum charges, etc. The motion was approved unanimously.

E. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to execute an amendment to the Regional Water Master Plan Study or a separate agreement for the completion of a regional water rates study.

Liz Fazio Hale provided information on the need for a regional water rate study to be done among the member entities. She stated that this compliments the regional water master planning process that Riverbend is currently undertaking. The rate study would be conducted across member entities and would be done concurrently with the regional

water master planning process. The intent would be to unveil the regional water master plan in December 2017, followed by discussions among all entities about tiered rate structure for the next 5, 10, and 15 years that would support needed infrastructure in the region. Mrs. Fazio Hale stated that this would only be a study and recommendation on rate structure for entities across the region and in no way would Riverbend be implementing the suggested rate changes; those would need to be implemented at the local, entity/city level.

Sean Rommel inquired how this resolution was different from the previous resolution on rates discussed earlier in the agenda. Liz Fazio Hale clarified that the previous rates were for Riverbend commercial and residential customers on the TexAmericas Center footprint, whereas these rates would be implemented by Riverbend members

This resolution provides that the Executive Director/CEO may amend the current regional water master plan contract with Susan Roth Consulting (or execute a whole new and separate agreement) to include a focused study on local rates and recommended rate strategies for the region to meet needed infrastructure improvements.

Sean Rommel expressed concern about doing a rate study too soon, before actually knowing what are the regional master plan recommended strategies. He suggested that proposed rate structures be centered around specific projects rather than lofty increments of large amounts. The rates should be tied to projects.

A motion was made by **Sean Rommel** and seconded by **Fred Milton** to approve **RESO 20170111-03** authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to execute an amendment to the Regional Water Master Plan Study or a separate agreement for the completion of a regional water rates study.

F. Discussion and possible action regarding approval of certain interlocal agreements with potential new member entities.

Liz Fazio Hale provided information on a template interlocal agreement/ memorandum of understanding. Riverbend has recently been approached by other entities expressing interest in joining Riverbend and its regional planning efforts. For example, Red Lick has expressed interest in joining Riverbend, as well as Bowie Central Water Supply Corporation. Both entities would initially be non-paying members of Riverbend, Red Lick does not supply water infrastructure currently and Bowie Central WSC is not an eligible entity member as defined in Riverbend's authorizing statute. It is contemplated that both entities will eventually become paying and full members of Riverbend. In the meantime, it is beneficial to have an agreement or memorandum of understanding with these entities that allows Riverbend to incorporate population and water demand projections in regional water master planning.

Sean Rommel emphasized that these entities not be defined as "members," so that we do not devalue a paying member entities' rights and interest in Riverbend. He asked that we

add language into the MOU that clarifies that nothing in this agreement creates a membership interest in Riverbend.

Liz Fazio Hale asked for comments and additional edits to this template MOU by the next meeting. It is proposed that this template can be adopted by Riverbend but ultimately each entity will pass this MOU through respective governing bodies and afterward it will come to Riverbend for approval.

No action taken.

G. Discussion and possible action regarding approval of a resolution approving the FY 2015-2016 Audit performed by Holliday Lemons & Cox, P.C.

Liz Fazio Hale provided information that our audit should be complete by the February timeframe.

No action taken.

H. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to executive renewal agreements for the purpose of providing employee health and life insurance benefits and risk management insurance benefits under the following:

- 1. TML Multistate Intergovernmental Employee Benefits Pool; and**
- 2. TWCA Risk Management Fund.**

Liz Fazio Hale provided information on the renewal timeframe for TML Multistate Intergovernmental Employee Benefits Pool. Riverbend's medical rates for employees will stay the same with a slight rate increase in dental of about \$3.00/per employee. Mrs. Fazio Hale recommends renewing with TML, as our medical rates are not increasing and will remain the same despite national increases averaging 20%.

A motion was made by **Kelly Mitchell** and seconded by **Fred Milton** to approve **RESO 20170111-04** authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to execute interlocal agreement(s) for employees benefits pool, health reimbursement arrangement, and retirement reimbursement arrangement services with TML Multistate IEBP.

No action taken on TWCA Risk Management Fund.

I. Discussion and possible action regarding Lake Wright Patman and various regional water issues.

Liz Fazio Hale provided information on the Town Hall that was held the previous evening. Mrs. Fazio Hale asked member entities present to provide feedback on the meeting.

Mike Burke, City Administrator/Secretary of Wake Village, commented that he felt the meeting went really well. He appreciated that the Board and Steve Mayo, Regional Water Liaison, were able to respond to public comments.

John Whitson, City Manager of Texarkana, TX, applauded the Riverbend Board and Texarkana, TX City Council on their willingness to provide an open, transparent forum for thoughtful discussion.

No action taken.

J. Discussion and possible action regarding the purchase of TAC East Infrastructure.

No action taken.

V. Reports

A. Board of Directors

Marshall Wood asked everyone to keep **Jim Green** in their thoughts and prayers. He looked very good and is on the road to recovery.

B. Executive Director/ CEO

Liz Fazio Hale provided information on the following ongoing Riverbend projects:

- i. New Riverbend Website - *Riverbend has a new website. Please visit and provide feedback. There will continue to be updates and additions to the site.*
- ii. STAR (“Stakeholder Technical Analysis Review Committee”) Extension - *We are in need of more candidates for the STAR Committee. The Executive Director/ CEO will be sending an additional email to stakeholders requesting more participants.*
- iii. Regional Water Master Plan Project with Susan Roth and Consulting - *Ongoing.*
- iv. Million-gallon Water Storage Tanks Project - *Approved by the RRAD personnel, sent to TCEQ and awaiting TCEQ approval.*
- v. Pipeline Replacement and Chlorification Project - *Almost finished. Looking at final connections and completion by the end of February.*
- vi. Future CIP Projects for a Facility Charge #3 - *Working with RRAD personnel to develop a working CIP list and determine options for financing.*
- vii. Other Maintenance and Services Projects

Liz Fazio Hale also commented on upcoming regular meeting dates for February and March and asked that due to other conflicts, these monthly meetings be moved to the end of the months, February 22, 2017 and March 29, 2017. No objections were made.

VI. NEXT RIVERBEND MEETINGS

Tuesday, January 31, 2017 at 6:00 p.m. at Texarkana, TX Convention Center, 2910 South Cowhorn Creek Loop, Texarkana, TX 75503.

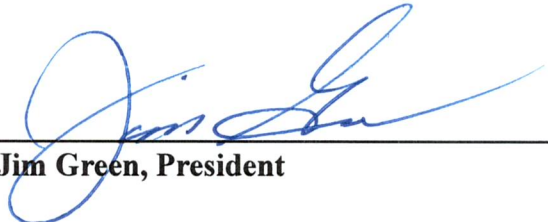
Wednesday, February 22, 2017 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, TX 75570.

Wednesday, March 29, 2017 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, TX 75570.

VII. **Adjournment**

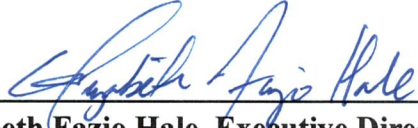
With no additional business to be discussed, a motion was made by **Fred Milton** and seconded by **Kelly Mitchell** to adjourn the meeting at 1:15 p.m. The motion was approved unanimously.

The previous corrected minutes of Riverbend Water Resources District Board of Directors meeting, January 11, 2017 were read and approved on the 22nd day of February, 2017.



Jim Green, President

Attest:



Elizabeth Fazio Hale, Executive Director/ CEO