

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

**April 12, 2017**

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

**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 5, 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  
Kelly Mitchell, Secretary  
Sean Rommel, Past President

**Directors Absent:**

Jim Green, President  
Fred Milton, Treasurer

**Administration Present:**

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

**Public Present:**

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  
Jeff Lewis, General Counsel, City of Texarkana, TX  
Scott Norton, Executive Director/CEO, TexAmericas Center  
John Whitson, City Manager, City of Texarkana, TX

**II. Innovation**

Kelly Mitchell led the invocation.

### **III. Public Comments**

No public comment.

### **IV. Agenda Items for Individual Consideration**

#### **A. Discussion and possible action regarding March 29, 2017 Regular Meeting minutes.**

A motion was made by **Kelly Mitchell** and seconded by **Sean Rommel** to approve the minutes with the correction for the March 29, 2017 Regular Called meeting. The motion was approved unanimously.

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

Becky Melton provided information on the February financial statements in abbreviated form with Net Income for Admin Member Fund at \_\_\_\_ and Wet Utilities Fund at \_\_\_\_.

Kelly Mitchell asked what the loss line included and whether that line could be expanded in the future to include more detail about the loss line.

Becky Melton responded that the loss line was inclusive of our monthly bond payments due to be set aside on a monthly basis. Previously, the District showed these only when they were paid in April and October but per Auditor's recommendation, those payments are not shown on the monthly statements. She also stated that this portion of the abbreviated financials (as previously requested by the Board for simplicity purposes in sending out the monthly financials) could be expanded out to include more detail and that she will do that on future financials.

A motion was made by **Sean Rommel** and seconded by **Kelly Mitchell** to approve February 2017 financials. The motion was approved unanimously.

#### **C. Discussion and possible action regarding approval of a resolution adopting a second amendment of the 2016-2017 General Fund budget of the Riverbend Water Resources District.**

Liz Fazio Hale provided information the addition of a line in the Administrative Member Budget (formerly referred to as the General Budget for member entities) to reflect "Use of Unrestricted Net Assets from Prior Years." Last month this was for \$50,000 from the previous Admin Mem Budget to cover "seed money" to be sent to the US Army Corps of Engineers to draft a Scope of Work on the Cultural Resources Survey for the

implementation of the Ultimate Rule Curve. This month it is for \$100,000 from the Wet Utilities Budget to cover further consulting costs for state and federal issues.

A motion was made by **Sean Rommel** and seconded by **Kelly Mitchell** to approve a resolution adopting a second amendment of the 2016-2017 General Fund budget of the Riverbend Water Resources District. The motion was approved unanimously.

**D. Discussion and possible action regarding a Request for Qualifications for Non-Audit Accounting Services.**

Liz Fazio Hale provided information that this was a follow-up agenda item resulting from last month's presentation of the FY 15-16 Annual Audit. Since the district has incorporated the wet utilities, its financials have become complicated. Although the audit was a very good audit for a transfer year, in order for the financials to be even better, the Executive Director/CEO suggests hiring a full-time accounting firm or individual to prepare the monthly financials for presentation on a quarterly basis. This is a request for qualifications for non-audit accounting services to assist with that preparation and presentation.

A motion was made by **Sean Rommel** and seconded by **Kelly Mitchell** to issue this Request for Qualifications for Non-audit Accounting Services. The motion was approved unanimously.

**E. Discussion and possible action regarding approval of a resolution approving a Capitalization Policy.**

Liz Fazio Hale provided information that this is a second follow-up agenda item resulting from the FY 15-16 Annual Audit. Since the acquisition of the wet utilities and several million dollars in capital assets, the District had not adopted a capitalization policy for depreciation purposes. This policy, in short, allows for the depreciation of office equipment over \$3,000 and all other depreciable assets over \$10,000.

A motion was made by **Sean Rommel** and seconded by **Kelly Mitchell** to approve a resolution adopting a Capitalization Policy of the Riverbend Water Resources District. The motion was approved unanimously.

**F. Discussion and possible action regarding changes to the Riverbend commercial and residential water and wastewater rates, deposits, retail agreements, minimum charges, etc.**

This is the third month that this item has been on the Agenda for comment. Liz Fazio Hale provided an overview of the proposed water and wastewater changes, stating that change in water and wastewater rates on the TexAmericas Center footprint had not been made in several years, at least since the renaming of the Red River Redevelopment

authority. Mrs. Fazio Hale explained that the increases will be used to support the facility charges for the bonds issued on regional planning and other capitol improvement projects. This rate adjustment is ONLY for residential and commercial customers on the TexAmericas Footprint.

Mrs. Fazio Hale noted that she believes that she has addressed all concerns that were brought to the attention of the District, including a residential issue with Mr. Prieskorn and a commercial issue with REG. She has reached out to both customers and not heard anything further..

Liz Fazio Hale stated that she had not received any other feedback related to the rate adjustments. She is recommending that the Board adopt rate adjustments.

A motion was made by **Sean Rommel** and seconded by **Kelly Mitchell** to approve a resolution adopting a rate adjustments for commercial and residential water and wasterwater customers on the Riverbend/ TexAmericas Center footprint.

**G. Discussion and possible action regarding approval of a resolution approving Regional Water Infrastructure Alternatives, non-prioritized, for further analysis of cost estimates.**

Liz Fazio Hale provided information that Susan Roth Consulting had created a list of regional water infrastructure alternatives in no particular order of the top five projects with various options surrounding those projects for further development of the cost estimates associated with those projects. Approving this list is for the ability to further estimate costs and in no way obligates the District to further development of those projects, which will come at a later date. This short list includes 1) new intake and pipeline to the Riverbend footprint; 2) improvements to the current intake and pipeline to the New Boston Road Plant; 3) a. expansion of the IP water treatment facility or b. creation of a new small facility to serve the needs of Cass County; and 4) new water treatment facility on the Riverbend footprint.

A motion was made by **Sean Rommel** and seconded by **Kelly Mitchell** to approve a resolution approving the Regional Water Infrastructure Alternatives, non-prioritized, for further analysis of cost estimates.

**H. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to enter into and amend consulting contracts to meet various demands related to regional water issues and to adjust consulting fees, so long as such consulting fees do not exceed budgeted amounts.**

Liz Fazio Hale provided information on current consulting contracts and stated that more flexibility was needed in moving funds between consultants in order to better address

moving targets and keep up with issues that might be more of a priority at once time or another.

A motion was made by **Sean Rommel** and seconded by **Kelly Mitchell** to approve a resolution authorizing the Executive Director/CEO, Elizabeth Fazio Hale, to enter into and amend consulting contracts to meet various demands related to regional water issues and to adjust consulting fees, so long as such consulting fees do not exceed budgeted amounts.

**I. Discussion and possible action regarding approval of a resolution supporting the role of Riverbend Water Resource District in implementation of the Ultimate Rule Curve and as the entity to seek future water rights in Lake Wright Patman Reservoir on behalf of all Member Entities.**

The City Council of Texarkana, Texas will entertain a Joint Resolution on April 24, 2017 to support Riverbend as the entity to seek and obtain future water rights in Lake Right Patman Reservoir. All Riverbend members are encouraged to attend this Council meeting.

At the next Riverbend meeting, the Executive Director/CEO will prepare template language for all member entities to pass similarly with their respective councils.

No action taken.

**J. Discussion and possible action regarding Lake Wright Patman and various regional water issues, including activities in the Arkansas and Texas Legislatures.**

Liz Fazio Hale provided information on a few exchanges of email with representatives of the US Corps in Fort Worth District. Mrs. Fazio Hale stated that the purpose of these email was to ask for clarification on what exactly was needed to complete implementation of the Ultimate Rule Curve under NEPA. As of the date of this meeting, a response was still pending.

Liz Fazio Hale also provided information on the status of the SRBA Sunset legislation.

No action taken.

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

David Glass, Riverbend General Counsel, and Jeff Lewis, City of Texarkana, TX General Counsel, provided an update on the contracts associated with this transaction. Preparation of the legal documents is nearing completion. Mr. John Whitson, City of Texarkana,

Texas, General Manager, stated that a request would need to be made to evaluate surplus inventory.

No action taken.

## V. Reports

### A. Board of Directors

None.

### B. Executive Director/ CEO

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

- i. STAR (“Stakeholder Technical Analysis Review Committee”) Extension - *an email went out this week to ask for more participants;*
- ii. Retail and Wholesale Rate Study - *this study is meant to help member entities plan for future projects. Nothing in this study will require rates to be adjusted;*
- iii. Regional Water Master Plan Project with Susan Roth and Consulting - *list of alternatives provided at this meeting;*
- iv. Feasibility Study Review - *work still being done on this;*
- v. Million-gallon Water Storage Tanks Project - *proceeding and will likely have a request for bids at May Board Meeting;*
- vi. Pipeline Replacement and Chlorification Project - *the line replacement is complete and online. Crews are finishing the chlorification installation;*
- vii. Future CIP Projects for a Facility Charge #3 - *no update;*
- viii. Other Maintenance and Services Projects - *no update; and*
- ix. Future Riverbend Studies - Riverbend is interested in conducting/updating sedimentation studies, WAMs, Watershed Protection Plans, Etc. Mike Buttrum commented that implementation needs to be upstream and he will be working with SRBA to obtain grant funding.

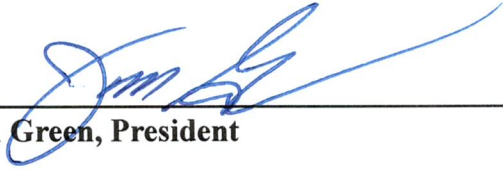
## VI. NEXT RIVERBEND MEETINGS

Wednesday, May 10, 2017 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, TX 75570.

## VII. Adjournment

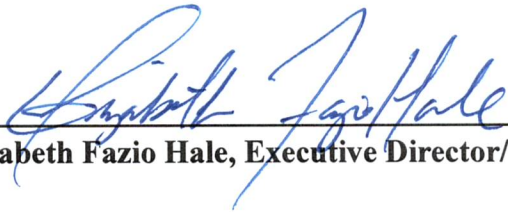
With no additional business to be discussed, a motion was made by **Kelly Mitchell** and seconded by **Sean Rommel** to adjourn the meeting at 1:05 p.m. The motion was approved unanimously.

The previous corrected minutes of Riverbend Water Resources District Board of Directors meeting, April 12, 2017 were read and approved on the 10<sup>th</sup> day of May, 2017.



\_\_\_\_\_  
Jim Green, President

Attest:



\_\_\_\_\_  
Elizabeth Fazio Hale, Executive Director/ CEO