

**Regular Called Meeting
Riverbend Water Resources District
Board Meeting Minutes
April 25, 2018
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 April 18, 2018, the Chair, Marshall Wood, President of the Board, called the meeting to order at 12:04 p.m.

Directors Present:

Marshall Wood, President
Fred Milton, Vice President
Sean Rommel, Secretary
Sonja Hubbard, Treasurer
Jim Green, Past President

Directors Absent:

None

Administration Present:

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

Public Present:

Please see attached sign in sheet.

II. Invocation

Fred Milton led the invocation.

III. Public Comments

Marshall Wood publicly recognized guests.

IV. Consent Agenda Items for Consideration

Items IV.A through IV.E were considered together under a Consent Agenda for one single motion of approval.

A. Discussion and possible action regarding February 28, 2018 Regular Called Meeting minutes.

No discussion.

B. Discussion and possible action regarding a resolution reviewing and approving Riverbend's Investment Policy and Strategies. (RESO 20180425-01)

Liz Fazio Hale provided information on the annual review of the Investment Policy and Strategies. Depending on revenues from fiscal year 2017-2018, Riverbend will begin investment of funds and will enter into agreements with various entities listed within the policy. Other than formatting and date change, there are no substantive changes to this policy.

C. Discussion and possible action regarding a resolution reviewing and approving Riverbend's Capitalization Policy. (RESO 20180425-02)

Liz Fazio Hale provided information on the annual review of the Capitalization Policy. This provides direction to District staff, accountants, and auditors on the capitalization and otherwise depreciation of certain District owned facilities/assets. Other than formatting and date change, there are no substantive changes to this policy.

D. Discussion and possible action regarding a resolution reviewing and approving Riverbend's Restricted Funds Policy. (RESO 20180425-03)

Liz Fazio Hale provided information on the annual review of the Restricted Funds Policy. This provides direction to District staff, accountants, and auditors on the internal and external restriction of certain funds for use and contribution to our bond sinking fund so that those funds will be collected for repayment of bond debt. This policy solidified that certain funds would be reserved for that purpose, including interest earnings. Other than formatting and date change, there are no substantive changes to this policy.

E. Discussion and possible action regarding a resolution reviewing and approving Riverbend's Conservation and Drought Management Plans. (RESO 20180425-04)

Liz Fazio Hale provided information on the annual review of both the Conservation Plan and the Drought Contingency Plan. As a regional water provider, water utility, and District that has funding through the TWDB, Riverbend is required to update these plans. Some changes were made that provide a little more detail to these plans last year when they were renewed. Operations have stabilized since that time and there is not a need to further change plans at this time. Other than formatting and date change, there are no substantive changes to this policy.

A single motion was made by **Fred Milton** and seconded by **Sean Rommel** to approve items from the Consent Agenda; as follows:

April 4, 2018 Regular Meeting Minutes;
RESO 20180425-01 Approving Riverbend's Investment Policy and Strategies;
RESO 20180425-02 Approving Riverbend's Capitalization Policy;
RESO 20180425-03 Approving Riverbend's Restricted Funds Policy; and
RESO 20180425-04 Approving Riverbend's Conservation Plan and Drought Contingency Plan.

The motion was approved unanimously.

V. Agenda Items for Individual Consideration

A. Discussion and possible action regarding a resolution approving the 2nd Quarter FY 2017-2018 financial statements and any applicable investment reports.

Rhonda Jones with Holliday, Lemons and Cox, PC provided information on the 2nd Quarter financials.

A motion was made by **Jim Green** and seconded by **Fred Milton** to approve **RESO 20180425-05** approving the 2nd Quarter Financials for FY 2017-2018. The motion passed unanimously.

B. Discussion and possible action regarding approval of a resolution amending the FY 2017-2018 Wet Utilities Budget and FY 2017-2018 Admin Member Budget.

Liz Fazio Hale provided information on mid-year adjustments to the Admin and Wet Utilities Budgets.

Admin Member Fund

- Our primary objective in this fund to adjust for two studies that we approved recently - Water Availability Modeling (WAM) and Hooks Feasibility Study.
- The total cost for the WAM is \$236,000. Approximately \$130,000 remains at BOK related to the TWDB Planning Funds of \$1M. ED/CEO suggests using the remainder of these funds and prior use reserves of \$106,000.
- The approximate cost for the Hooks Feasibility Study will be somewhere under \$20,000, hopefully closer to \$10-\$15k. Funds from consulting and other a few others were moved around, along with use of reserve funds to cover this adjustment.

Wet Utilities Fund

- Everything looks exceptionally well under these budgets for W, WW, IWW and Overhead. There are a few line item changes being made to reflect new projects ongoing:
 - GIS Mapping will be paid from remaining Engineering Consulting Funds. \$51,000 total for the remainder of this FY. This is \$17,000 from each W, WW, IWW.
 - Drying Beds Repair Design at the Ron Collins Waste Treatment Facility will be paid from Facility-Other Funds at approximately \$20,000. The construction of the drying beds rehabilitation project will come from CIP

Funds, estimated at \$50,000. Riverbend will conduct an RFP process related to that construction.

A motion was made by **Sonja Hubbard** and seconded by **Sean Rommel** to approve the **RESO 20180425-06** approving amendments to the Admin Member Fund and Wet Utilities Fund Budgets for FY 2017-2018. The motion was approved unanimously.

C. Discussion and possible action regarding approval of a resolution amending the FY 2017-2018 TAC East Budget.

Liz Fazio Hale provided information on the adjustments made to TAC East Budget. This budget is being adjusted for a 9-month year with numbers that are more realistic for revenues and expenses. These budget changes better support the need for the true-up rate change.

A motion was made by **Fred Milton** and seconded by **Sean Rommel** to approve **RESO 20180425-07** approving an amendment to the TAC East Budget for FY 2017-2018. The motion passed unanimously.

D. Discussion and possible action regarding proposed changes to the Riverbend commercial water rates, deposits, retail agreements, minimum charges, etc. on the newly acquired RAC East footprint.

Liz Fazio Hale provided information on the water rates adopted in 2017 for current Riverbend customers to be extended to the new TAC East water customers. TAC East customers already pay current Riverbend rates for wastewater services. Riverbend has provided three opportunities for public comment at the February, March, and April Regular Board Meetings for TAC East water customers. This meeting is the final opportunity for public comment on the proposed water rates. The effective date for the proposed water rates is May 1, 2018. Water and sewer rates will need to be reexamined in the near future to ensure our rates meet our needs and are competitive with other entities.

A motion was made by **Sean Rommel** and seconded by **Jim Green** to approve **RESO 20180425-08** approving the proposed changes to the Riverbend commercial water rates, deposits, retail agreements, minimum charges, etc. on the newly acquired TAC East water infrastructure. The motion passed unanimously.

E. Discussion and possible action regarding an approval of Riverbend's Safety Procedures and Emergency Plan.

Liz Fazio Hale provided information that Riverbend is required to have an Emergency Response Plan (ERP). This plan is used by local, state, and federal entities. Eli Hunt, Systems Manager, has worked diligently on this ERP. Once approved, Riverbend will hold a staff meeting to go over the material with each of our employees. Sean Rommel also suggested adding procedures for an active shooter situation.

A motion was made by **Jim Green** and seconded by **Sonja Hubbard** approving Riverbend's Emergency Response Plan.

F. Discussion and possible action regarding a review, update, and approval of Executive Director/CEO Management and Personal Services Contract.

This item was moved to the end of the Agenda to be discussed in Executive Session.

G. Discussion and possible action regarding Preliminary Design on a New Intake System and Raw Water Line at Wright Patman Lake.

Items G and H were presented concurrently. Please see Item H.

H. Discussion and possible action regarding Volumetric and Sedimentation Study on Wright Patman Lake.

Liz Fazio Hale provided information on the Regional Water Master Plan finalizing within the next couple of months. Water and Wastewater Rate Studies are ongoing and should also be complete shortly thereafter. Water Availability Modeling will begin soon and be complete by the end of the year.

Related directly to the new intake, Riverbend has an application in at TCEQ for change in diversion point so that we may remove water from anywhere on the reservoir's perimeter.

A meeting is scheduled with TCEQ staff on the 401 requirements. Movement forward with this project will require a closer and more detailed look at a new intake location, as well as a path for the raw water line to the approved footprint on TAC East. This will require a Preliminary Design with costs up to \$2 million dollars.

A few options to explore for funding include:

- Rate increases by Member Entities;
- Issuance of a Bonds;
- Ask for EDC funds from eligible municipalities; or
- Other.

A presentation given by Dr. Mike Buttram at April's SRBA meeting discussed an alternative theory on true rates of sedimentation and volumetric rates at Wright Patman Lake and the need for additional studies to ensure accuracy of data collected.

No action taken.

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

No action taken.

J. Discussion and possible action regarding activities the Sulphur River Basin Authority (SRBA).

Kelly Mitchell provided an update on SRBA activities. Next meeting will be held May 15, 2018 at 1:00 p.m. The SRBA is considering a request to the US Corps of Engineers for a meeting on the status of the Tentative Select Plan regarding reallocation at Wright Patman Lake.

No action taken.

K. Discussion and possible action regarding activities with TexAmericas Center.

Scott Norton, Executive Director/CEO for TexAmericas Center (TAC), provided information on activities at TAC. Two-thirds of TAC is now unofficially considered an “Opportunity Zone” by both the States of Arkansas and Texas. They also have a new tenant in Area U.

No action taken.

V. Reports

A. Board Members

B. Executive Director/CEO

Ongoing Projects:

- i. STAR (“Stakeholder Technical Analysis Review Committee”)
- ii. Riverbend and TWUA Operators Classes
- iii. Regional Water Master Plan Project with Susan Roth & Consulting
- iv. Regional Water Rates Study with NewGen
- v. Water Availability Model with Bob Brandes
- vi. Pump Station and Ground Storage Tanks Project
 - a. Well underway. Should be complete by end of May 2018.
- vii. Pipeline Replacement was complete in March 2017. The Chlorification project is in its final stages.
- viii. Future CIP Projects for a Facility Charge #3
- ix. Member Entity Services
- x. Other Maintenance and Services Projects
- xi. Future Riverbend Studies - Raw Water Line, Sedimentation, WAMs, etc.

VI. Executive Session

The Board moved into Executive Session at 1:16 p.m. in accordance with Texas Open Meetings Act; Sec. 551.017 to discuss item V.F.

The Board returned from Executive Session at 1:45 p.m.

Sean Rommel was no longer present; however, all other Board Members remained present.

A motion was made by **Fred Milton** and seconded by **Jim Green** approving the review, update and extension of the Executive Director/CEO Management and Personnel Services Contract and authorizing a bonus of \$10,000 to the Executive Director/CEO. The motion was approved unanimously.

VII. Next Regular Meeting:

Wednesday, May 23, 2018 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, TX 75570.

VIII. Adjournment

With no additional business to be discussed, a motion was made by **Sonja Hubbard** and seconded by **Jim Green** to adjourn the meeting at 1:45pm. The motion was approved unanimously.

The minutes of Riverbend Water Resources District Board of Directors meeting, April 25, 2018 were read and approved on the 23 day of May, 2018.



Fred Milton, Vice President

Attest:



Elizabeth Fazio Hale, Executive Director/ CEO