

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

April 22, 2020

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, the Chair, Sonja Hubbard, President of the Board, called the meeting to order at 12:04 p.m.

Directors Present:

Sonja Hubbard, President
Tina Veal-Gooch, Vice President
Van Alexander, Treasurer
Marshall Wood, Secretary
Fred Milton, Past President

Directors Absent:

None

Administration Present:

Kyle Dooley, Executive Director/CEO
Eli Hunt, Operations Manager
Tara Houck, Chief Financial Officer
Becky Melton, Executive Assistant/HR Manager

Public Present:

Please see the attached list for additional guests.

II. Invocation

Sonja Hubbard led the invocation.

III. Public Comments

None.

IV. Consent Agenda Items

Item IV.A. was considered under a Consent Agenda for one single motion of approval.

A. Discussion and possible action regarding February 19, 2020 Regular Called Meeting Minutes.

A single motion was made by **Fred Milton** and seconded by **Tina Veal Gooch** to approve the Consent Agenda Items as listed above. The motion passed unanimously.

V. Regional Entity Reports

A. Discussion and possible action regarding activities with Sulphur River Basin Authority (SRBA).

Meg Shelton had no report.

No action taken.

B. Discussion and possible action regarding activities with TexAmericas Center (TAC).

Scott Norton provided he and his staff are all working from home so they are having online meetings and conference calls with their board of directors, committees, as well as prospects. He also stated that prospect activity is still strong despite the shelter-in-place order. Mr. Norton provided that the EPA's Resource Conservation and Recovery Act (RCRA) permit is very close to being removed from the TexAmericas Center-East campus. This permit removal will open up about 6,500 acres that could be sold.

No action taken.

C. Discussion and possible action regarding activities with Ar-TEX REDI.

Sonja Hubbard provided that REDI procured land for development through Bowie County, the City of New Boston and the City of Hooks. It is 847 acres just north of Interstate 30 at exit 206. There is also a small parcel just south of the interstate as well. It is being cleared and prepared for site certification. The site certification will put the available land on a national and international registries with details of site specifics to gain the attention of site selectors. They are also working on a marketing plan that has collateral packages with it for organizations looking for land to develop. They are still looking for a piece of land on the Arkansas side.

No action taken.

VI. Agenda Items for Individual Consideration

A. Discussion and possible action regarding approval of a resolution allowing Oak Grove Water Supply Corporation (OGWSC) to become a full member of Riverbend Water Resources District.

Kyle Dooley provided that Oak Grove Water Supply Corporation has officially petitioned Riverbend for membership into the District. Their membership would be contingent on negotiations on an interlocal agreement with OGWSC similar to the agreement executed in August 2019 with Central Bowie County Water Supply Corporation.

A motion was made by **Van Alexander** and seconded by **Marshall Wood** to approve **RESO 20200422-01** allowing Oak Grove Water Supply Corporation to become a full member of Riverbend Water Resources District. The motion passed unanimously.

B. Discussion and possible action regarding approval of a reviewing and approving updates to the Investment Policy and Strategies.

Kyle Dooley provided that there is a need to update the investment training requirements to match those stated in the Texas Water Code. Currently, Section 2 of our Investment Policy states that the Investment Officer must obtain 10 hours of training relating to their duties as Investment Officer within 12 months of assuming those duties and then must also obtain 10 hours every 2 years thereafter. Section 2256.008 in the Government Code provides an exception to districts governed by chapters 36 or 49 of the Texas Water Code. Section 49.1571 of the Texas Water Code states that the Investment Officer is only required to have 6 hours initially with 4 hours required every 2 years thereafter.

A motion was made by **Tina Veal-Gooch** and seconded by **Fred Milton** to approve **RESO 20200422-02** approving the updates to the Investment Policy and Strategies. The motion passed unanimously.

C. Discussion and possible action regarding a presentation on the recent retail rate study conducted by Chris Ekrut with NewGen Strategies.

Kyle Dooley provided information on the retail rate study before handing the presentation over to Chris Ekrut with NewGen. Mr. Dooley also stated that a final report will come back to the board for approval at the conclusion of the study.

Chris Ekrut provided information on the preliminary findings of the study. He stated that the final report presented at a later date will include more comparative data that we will not see here today. Mr. Ekrut stated that Riverbend is very unique in its creation and he thanked the Riverbend staff for all the help in gathering information on that creation. Riverbend was created for a specific purpose and it is still growing into that purpose. Based on preliminary findings, Riverbend should be able to hold retail rates steady for at least the next 5 years. NewGen will make recommendations going forward that will help to set Riverbend up to become the regional water provider as we move forward in implementing the regional project. NewGen noted how much Riverbend depends on the Army (RRAD) for revenue and how the Army's usage dictates the retail rates. Mr. Ekrut covered what the revenue requirement would be for Riverbend to cover expenses. NewGen will recommend the set-up of a Rate Stabilization Fund in order to insulate the water and wastewater fund from large fluctuations of revenue and allow stabilization on future water and wastewater rates. NewGen also researched raw water

rates as based on the capital projects. All of the official findings and recommendations will be included in the final report that should be ready for approval soon.

No action taken.

D. Discussion and possible action regarding approval of a resolution authorizing the Executive Director/CEO to execute an interlocal agreement with TML Health Benefits Pool to provide employee health and life insurance benefits.

Kyle Dooley provided information on the current agreement with TML Health Benefits Pool. The current plan year ends on April 30, 2020. In an effort to line up plan years with our fiscal year, we are suggesting to the board that the Executive Director/CEO is permitted to enter into an agreement with TML for a short plan year to begin on May 1, 2020 and end on September 30, 2020. This will include adding the \$500 per employee to their HRA debit card on May 1, 2020. The Flex Spending account that allows employees to contribute to medical expenses via payroll deduction will still be available to spend until July 15, 2020. Contributions to that fund will stop April 30 and pick back up at our full plan year that will begin October 1, 2020.

A motion was made by **Marshall Wood** and seconded by **Van Alexander** to approve **RESO 20200422-03** authorizing the Executive Director/CEO to execute an interlocal agreement with TML Health Benefits Pool to provide employee health and life insurance benefits. The motion passed unanimously.

E. Discussion and possible action regarding approval of a resolution approving amendments to the FY 2019-2020 Administrative Member Fund Budget and the 2019-2020 Wet Utilities Budget.

Tara Houck provided information on the amendments to the Wet Utilities and Administrative Member Budgets for the current fiscal year. The member services expenses and income were moved from the Administrative Member fund to the Wet Utilities fund. They were moved into a new class labeled Infrastructure Services. All of the changes made in the Wet Utilities fund were revenue neutral. In the Administrative Member fund, an increase needed to be made to cover the commitment made to the Military Affairs organization. This lowered the revenue for that fund.

A motion was made by **Marshall Wood** and seconded by **Fred Milton** to approve **RESO 20200422-04** approving the amendments to FY 2019-2020 Administrative Member and Wet Utilities Fund Budgets. The motion passed unanimously.

F. Discussion and possible action regarding approval of a resolution approving the second quarter FY 2019-2020 Financial Statements.

Tara Houk presented second quarter financials of FY 2019-2020.

A motion was made by **Van Alexander** and seconded by **Tina Veal Gooch** to approve **RESO 20200422-05** approving the second quarter financials for FY 2019-2020. The motion passed unanimously.

G. Discussion and possible action regarding approval of a resolution approving the second quarter FY 2019-2020 Investment Report.

Kyle Dooley provided that this report has not previously been presented as a separate report because Riverbend did not have any investments on which to report. This report will include interest earned on all accounts.

Tara Houck presented the second quarter investment report of FY 2019-2020.

A motion was made by **Tina Veal Gooch** and seconded by **Van Alexander** to approve **RESO 20200422-06** approving the second quarter investment report for FY 2019-2020. The motion passed unanimously.

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

Kyle Dooley provided information on contributed funds agreement with the US Army Corps of Engineers (USACE). We are still waiting on the confirmations from the Chairman of the House Transportation and Infrastructure Committee as well as the House Appropriations Committee Chairman that they are ok to proceed with the agreement.

No action taken.

VIII. Executive Session

The board did not move into executive session.

VII. Riverbend Reports

A. Board Members

No reports.

B. Executive Director/CEO

Kyle Dooley provided the following updates:

Since the shelter-in place order was issued in March, Riverbend office staff is working from home as much as possible. The operations team is maintaining social distancing when coming in contact with each other and with customers.

Representatives from North Texas Municipal Water District reached out to Kyle and set up a meeting with him and Sonja Hubbard. It was an introductory meeting about what they do and the status of ongoing projects including Bois d'Arc Lake. They have also reached out to other entities in Region D to introduce themselves.

Regarding the Texas Water Development Board (TWDB), the water supply contracts and, our SRF Application: Susan Roth and Mr. Dooley participated in a conference call with the application review team at TWDB on Monday, April 20, 2020. This was an informal informational meeting. The TWDB just wanted an update on where RWRD is with regards to the water supply contracts. The TWDB would require a final draft of the contract for each member entity before they can move forward to get a board commitment to approve the application. All executed and signed contracts must be in to the TWDB before we could close on a bond for the project. Contracts are almost finalized. All legal representatives' comments have been put into one document and it has been sent out to all parties for final review. We should have all final comments back very quickly. Once that is done, each lawyer will make one more review of the contract and then it will be ready for mayors' signatures. TWDB also asked about the transfer of ownership of the current facilities from the City of Texarkana to Riverbend once the new treatment facility is up and running. He explained that the transfer agreement will be finalized as the design of the new treatment facility is complete to ensure the details on what company facilities would be left to transfer to Riverbend. They also asked for 2017 audits from member entities in addition to 2013, 2016, and 2018. TWDB discussed that the City of Annona is eligible for a grant for up to \$300,000 for principal forgiveness for what Riverbend will have to borrow for this project. Language referring to this grant will need to be addressed in the water supply contract with Annona. Annona is the only entity in our area that qualified for this grant.

TWDB has said they typically need 30 days to turn around an application to get it on the agenda for approval. They have since given more specific dates stating that they will need all necessary documents turned in and reviewed by May 29th in order to get our application approval on the July 9th agenda. Riverbend plans to get the documents in to TWDB by May 15th to give the review team 2 weeks to review the full application. Oak Grove Water Supply Corporation, as a new member of Riverbend, will also have to meet the audit and water supply contract requirements.

Mr. Dooley received a letter from Texas Commission for Environmental Quality (TCEQ) on February 27th stating that Riverbend's water rights application has been declared administratively complete. The date of seniority on that application will be February 21, 2020. The technical review of our application is still on-going.

The technical amendment to the current water supply contract between the Texarkana Water Utilities (TWU) and each of the member entities is still on-going. On Friday, February 21, 2020, TWU submitted a time extension request to TCEQ in order to complete the technical amendment. The reason for the request for a time extension, was to allow time to complete the new water supply contracts that will address the issues with the point of delivery for the system which is what TCEQ needed to be addressed.

In going through the SRF application process with TWDB, Riverbend had a managerial, technical, and administrative audit. TWDB suggested that we put together Preventative Maintenance Programs and Operations and Maintenance Manuals. Phillip Givens is a contractor for TCEQ. He completed the audit and was the person that helped with setting up these manuals and programs. Riverbend has several preventative maintenance procedures but they were not all in one central location. Those have all

been compiled in to one location and those procedures that Riverbend does not have in place are being developed and will be completed by the end of our fiscal year.

No action taken.

IX. Next Riverbend Meetings

Please note the deviation from the posted Riverbend Calendar:

Riverbend Regular Meeting, Wednesday, May 27, 2020 at 12:00 p.m. at Riverbend Offices, 228 A Texas Avenue, New Boston, Texas 75570.

X. Adjournment

With no additional business to be discussed, Sonja Hubbard adjourned the meeting at 1:25 p.m.

The minutes of Riverbend Water Resources District Board of Directors meeting, April 22, 2020 were read and approved on the 27th day of MAY, 2020.



Sonja Hubbard, President

Attest:



Kyle Dooley, Executive Director/ CEO

Riverbend Water Resources District
 Board Meeting
 April 22, 2020
 12:00 p.m.

No.	Name	Organization	Title	Phone	Email
1	Chris Ekrut	NEWGEN			
2	Jim Roberts	City of Wake Village			
3	Sheryl Collum	City of Wake Village			
4	Mat Garcia	PapeDawson			
5	Ricky Williams	Oak Grove WSC			
6	Tony Smith	Carollo Engineers			
7	Tommy Lvers	Garver			
8	Scott Norton	TAC			
9	Bobby Howell	Bowie County Judge			
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