

**SULPHUR RIVER BASIN AUTHORITY
BOARD OF DIRECTORS MEETING
TUESDAY, MAY 17th, 2016
1:00 P.M.**

PRESENT: Michael Russell, President
Wally Kraft, Vice President
Patricia Wommack
Mike Sandefur
Brad Drake
Bret McCoy

STAFF: John Jarvis, Consultant

ABSENT: Katie Stedman, Board of Director
Nancy Rose, Secretary/Treasurer

VISITORS: ATTACHMENT

ITEM# 1: MEETING CALLED TO ORDER AT 1:00 P.M.:

The meeting was called to order at 1:02 P.M. by Michael Russell, President.

He welcomed and thanked everyone in attendance.

He stated that Nancy Rose was absent today due to the death of her brother.

ITEM# 2: INVOCATION:

The Invocation was given by Michael Russell, President.

ITEM# 3: DISCUSS AND TAKE ACTION ON THE APPROVAL OF THE MINUTES FOR APRIL 19th, 2016:

Michael Russell, President asked if there were any corrections needed to the Minutes for April 19th, 2016.

Bret McCoy requested that the word strive in the last sentence in Item# 3 be changed to thrive.

A motion was made by Wally Kraft and seconded by Bret McCoy to approve the Minutes with the correction in the last sentence of one word in Item# 3 be changed from strive to thrive. The motion carried with all members present voting AYE.

ITEM# 4: PUBLIC COMMENTS:

1. Delores McCright, Lamar County, Paris, Texas....She stated she was against water going out of the basin. She shared she attended a TXDOT Meeting and is concerned the highway department is not communicating enough with water agencies related to bridges and highways. She also stated that the water table will be significantly drained, related to new reservoirs and water leaving the basin.

ITEM# 5: DISCUSS AND TAKE ACTION ON THE REPORTS OF THE CASH POSITION & EXPENDITURES:

Michael Russell, President stated that as of May 9th, 2016, the balance in Guaranty Bank and Trust was \$636,974.69 in the Checking Account. He stated that the General Ledger is included with the details.

Mike Sandefur stated that we are under budget in all areas except for legal fees.

A motion was made by Mike Sandefur and seconded by Brad Drake to approve the reports of the Cash Position and General Ledger as presented.

The motion carried with all members present voting AYE.

ITEM# 6: REVIEW AND APPROVE PROPOSED ANNUAL BUDGET THAT WILL BE SUBMITTED TO JCPD CONCERNING COST OF OPERATIONS OF SRBA FOR THE YEAR BEGINNING SEPTEMBER 1, 2016:

Michael Russell, President explained that the top section of the budget sheet is the cost for "Operation Budget" which is what the Board of Directors is addressing today. The budget of studies and consultants will be addressed at a later date.

Wally Kraft, Vice President asked why there is a proposed increase of \$3,000 within Office Expenses.

No clarification was given with the understanding that Nancy Rose can answer the question but was absent.

Mike Sandefur asked about the process of submitting today's proposed budget to JCPD and Michael Russell, President answered the questions.

Bret McCoy asked about money not spent during budget year and does that go back to JCPD. Michael Russell, President explained it does carry over and is credited to the new budget.

Wally Kraft stated that the expenditures in the past have been very close to the actual budget.

Mike Sandefur wanted to find a way to donate his SRBA check back to SRBA so it that could help the Clean Rivers Program.

A motion was made by Wally Kraft and seconded by Brad Drake to approve the "Resolution", Approving **Proposed** Annual Budget Concerning Cost of Operations, to be Submitted to JCPD" with the corrections to the Resolution as follows:

Amend the Resolution to read:

RESOLUTION APPROVING PROPOSED ANNUAL BUDGET
CONCERNING COST OF OPERATIONS TO BE SUBMITTED TO JCPD

WHEREAS, Section 3.03 of Advanced Funding Agreement dated May 28, 2013, entered into between Sulphur River Basin Authority ("SRBA") and City of Dallas, Texas, City of Irving, Texas, North Texas Municipal Water District, Tarrant Regional Water District and Upper Trinity Regional Water District (the "Funding Parties"), provides that, on or before June 1 of each year, SRBA shall prepare and annual budget for review and approval by JCPD and the Funding Parties concerning cost of operations of SRBA for the next budget year; and

WHEREAS, a copy of the **proposed** annual budget concerning cost of operations of SRBA for the budget year beginning September 1, 2016, is attached hereto.

NOW, THEREFORE, IT IS RESOLVED that SRBA has **reviewed** the proposed annual budget concerning cost of operations of SRBA for the budget year beginning September 1, 2016 and said proposed annual budget shall be submitted to JCPD and the Funding Parties for review and approval.

The motion carried with all members present voting AYE.

Re-Clarify/Re-Visited: ITEM# 6: To clarify the intent of the action was to pass a **PROPOSED** Budget that will be considered for adoption in the future once the JCPD reviews and sends a recommendation.

Mike Sandefur made changes to the resolution to be amended by the board to clarify the action.

A motion was made by Mike Sandefur and seconded by Wally Kraft to amend the resolution with Mike Sandefur's changes.

The motion carried with all members present voting AYE.

ITEM# 7: DISCUSS AND TAKE ACTION CONCERNING ISSUES AND RECOMMENDATIONS APPLICABLE TO SRBA SET FORTH IN SUMMARY OF SUNSET STAFF RECOMMENDATIONS OF SUNSET ADVISORY COMMISSION DATED APRIL 2016.

Mike Sandefur stated that he sent out a personal response that was his and was not meant to speak for the Board of Directors or anyone else.

Michael Russell, President suggested a 10 to 15 minutes recess for the Board of Directors to have time to read his proposal. He passed out his proposal to each of the Board of Directors. He stated that he had some help in wording this letter.

He stated that the Sunset Review only makes recommendations in problem areas and not positive areas.

The recess started at 1:23 P.M.

The Board of Directors reconvened back into session at 1:39 P.M.

Wally Kraft, Vice President stated that he would change sentence regarding bidding process on page 4 of Michael Russell's proposal.

Bret McCoy stated that transparency is an issue with Sunset and Mike Sandefur sent his response out for the Board of Directors to see about two weeks ago. Bret McCoy asked Michael Russell, President why his proposal did not go out sooner.

Michael Russell, President stated that it was for the Board of Directors approval and not for an individual response like Mike Sandefur's.

Brad Drake made the suggestion of backing up from this proposed action to approve a single board response because the proposal from Michael Russell, President may not reach a Board of Directors agreement at this time.

Mike Sandefur presented a calendar showing the timeline to the hearing in Austin before the Sunset Commission and what action from the Board of Directors could occur before the hearing.

Wally Kraft, Vice President made the suggestion of a generic response at this time and later work on what is said in the hearing as a Board of Directors, but added each individual can say what they want to at the hearing.

Mike Sandefur briefed the board of his philosophy related to his response to the Sunset Report and also he would like the Sunset Commission to hear what we plan to do and what we have already done. Wally Kraft, Vice President and Mike Sandefur discussed the Sunset process to legislation beginning in 2017.

Michael Russell, President pointed out that between now and the hearing the Board of Directors has a couple of choices either to have special called open meetings to work on a response or have two or three as a committee meet to determine a plan.

There was lots of discussion on the Sunset process and after all the discussion The Board of Directors agreed to the following "Letter" to be sent to the Sunset Commission.

A motion was made by Wally Kraft, Vice President and seconded by Bret McCoy to send the letter to the Sunset Commission representing a unified response.

The motion carried with all members present voting AYE.

Dear Mr. Chairman:

Thank you for the opportunity to respond to the Sunset Commission's report regarding the governance and operations of the Sulphur River Basin Authority (SRBA). The report highlights a number of opportunities for SRBA to consider as it works to improve, and while complete agreement on each recommendation may not exist, please be assured that the SRBA board takes the recommendations seriously and is determined to evaluate the Commission's feedback with great care.

SRBA has received the report and has embraced the issues. It is the Board's directive to address each item with the spirit of improving the organization. Careful consideration and actions will occur in a timely fashion.

Sincerely,

Bret McCoy requested the letter be posted on the SRBA's web page. Michael Russell, President stated that it would be, along with Mike Sandefur and Michael Russell personal letters.

Patricia Wommack suggested whoever speaks for the board needs to share the information with the Board of Directors before the hearing.

Bret McCoy expressed that the need to place the letters to the Sunset Commission on the webpage and encourage all Board of Directors to bring talking points to the next meeting.

Patricia Wommack suggested that they have a workshop before the regular meeting to work on this project.

Bret McCoy stated that a 10:00 A.M. "Workshop" be held with a break for lunch before the 1:00 P.M. Board of Directors regular meeting on June 21st, 2016. All Board of Directors was in agreement.

Pat Wommack verbally stated that Michael Russell, President should be the one that speaks at the Sunset Hearing.

ITEM# 8: DISCUSS AND TAKE ACTION CONCERNING PUBLIC RELATIONS PROGRAM:

Michael Russell, President stated that there would be no action on this item and presented each Board of Directors a skeleton proposal from Jeff Hahn on Public Relations. He stated that it was for "Information Purpose Only" and asked that each Board of Directors read and he would provide more information later.

ITEM# 9: DISCUSS AND TAKE ACTION CONCERNING REVISION AND AMENDMENT OF EMPLOYEE POLICY MANUAL AS APPLICABLE TO NANCY ROSE, ADMINISTRATOR OF SRBA:

Michael Russell, President stated that the issue is in reference to the Employee Policy Manual adopted by the Board of Directors in November 2014. He stated that the three items in the packet concerning Nancy Rose needs to be grandfathered in.

Brad Drake stated that he helped work on the new Employee Policy Manual and stated that some carryovers from the old manual were not included in the new manual and Nancy Rose lost some benefits in the process.

Pat Wommack stated that it was stated that Nancy Rose would be grandfathered in the Old Manual.

A motion was made by Mike Sandefur and seconded by Bret McCoy to reinstate the items per the attached "Resolution".

WHEREAS, on November 18, 2014, Sulphur River Basin Authority ("SRBA") approved and adopted an Employee Policy Manual; and

WHEREAS, the Board of Directors of SRBA desires to amend said Employee Policy Manual in order that Nancy Rose, Administrator of SRBA, will be entitled to receive sick leave and vacation benefits as provided by the terms and provisions of the Employee Manual that was in effect prior to November 18, 2014.

NOW, THEREFORE, IT IS RESOLVED that SRBA's Employee Policy Manual is hereby amended as follows:

1. Nancy Rose will accrue sick leave benefits at the rate of 12 days per year.
2. Nancy Rose will be eligible for four weeks (20 days) of vacation when she completes 10 years of continuous service.
 1. Nancy Rose will be eligible for five weeks (25 days) of vacation when she completes 20 years of continuous service.

Except as amended herein, all terms and provisions of SRBA's Employee Policy Manual shall remain in full force and effect.

The motion carried with all members present voting AYE.

ITEM# 10: UPDATES ON THE CLEAN RIVERS PROGRAM:

Mike Buttram stated that he and the team was in Texarkana taking samples today and he was able to ride the river with a member of the Texas Parks & Wildlife (Mike VanBuskirk) from Smith Park to Lake Wright Patman Dam. He announced the SRBA Steering Committee Meeting will be held on July 28th, 2016.

ITEM# 11: UPDATES ON FEASIBILITY STUDY:

John Jarvis gave the report. He pointed out Nova Robbins, Corps Program Director and Jodi Foster, Corps Regional Economist/Plan Formulation RTS, are in attendance today.

John Jarvis discussed the Alternative Milestone Meeting (AMM) minutes from October 2015. Nova Robbins and Jodie Foster of the Corps explained that the AMM is to get approval from Headquarters in DC to continue on the current path as outlined in the AMM. John Jarvis pointed out some of the important items in the minutes.

- No alternative to Wright Patman Lake could be built in time of needed demand so cheaper alternatives did not rule out reallocation of Wright Patman Lake.
- Completed Dam Safety studies have been approved to continue to the Tentatively Selected Plan (TSP). Further studies will be needed on the dam after the YSP. Additional studies are estimated to cost close to \$1 million.
- A minimal reallocation level to study was determined to be 232.5 mean sea level due to its minimal or no impact on White Oak Creek Wildlife Mitigation Area (WOCMA).
- It was determined that WOCMA could be impacted at a higher level requiring Congressional approval and standard mitigation actions.
- Congressional action for reallocation and impacting WOCMA would be required to execute.
- SMART planning restriction of a three year \$3 million study does not fit this study and an exception package to extend the time with additional money is currently being developed.

John Jarvis stated that the report from SBG had been received but not in time to review it for this meeting and RPS had not been received. So, no update to the Board of Directors on RPS or SBG was given.

Bret McCoy asked if AMM meetings were open to the public and Jodie Foster explained they are for the Project Development Team (PDT) which includes the sponsor but are not open meetings.

John Jarvis explained that there is an AMM read-ahead prior to the meeting that could be available to the Board of Directors and others. The AMM meeting historically stays on track with the read ahead.

Michael Russell, President asked the Corps representatives if there are further public hearings related to the TSP. Nova Robbins, C of E stated there will be a series of public hearings with notifications in public newspapers. They will occur prior to the TSP or shortly after. More detail related to a Corps acceptable level of reallocation will be presented.

Bret McCoy asked about a mitigation specialist in the Corps and if they could present something to this group. Nova Robbins and Jodie Foster, C or E, said they would work with John Jarvis and arrange someone to do so.

ITEM# 12: UPDATES ON REGION D:

Bret McCoy stated that he shared with the Region D that SRBA strengthened their position on a Watermaster.

ITEM# 13: ANNOUNCEMENTS FROM THE BOARD OF DIRECTORS AND/OR STAFF:

Michael Russell, President shared the Austin Statesman visible thread had an article placing the SRBA's website on top.

Michael Russell, President read a letter he composed (see attachment).

Michael Russell, President announced the next meeting will be on June 21st with a Workshop at 10:00 A.M. and the regular meeting at 1:00 P.M.

Becky Bell, Texarkana Gazette spoke and explained how complex water issues are and it has been a privilege to cover the issues. She will be moving to another newspaper in Arkansas. Becky introduced Jennifer Middleton as her replacement with the Texarkana Gazette.

ITEM# 14: ADJOURNMENT:

A motion was made by Mike Sandefur and seconded by Wally Kraft to adjourn.

The motion carried with all members present voting AYE.

MICHAEL RUSSELL, PRESIDENT