

SULPHUR RIVER BASIN AUTHORITY

BOARD OF DIRECTORS MEETING

TUESDAY, AUGUST 16, 2016

1:03 P.M.

PRESENT: Michael Sandefur, President
Wally Kraft, Vice President
Katie Stedman, Vice President
Bret McCoy, Vice President
Brad Drake
Michael Russell

STAFF: Nancy Rose, Secretary/Treasurer
John Jarvis, Consultant

ABSENT: Patricia Wommack

VISITORS: ATTACHMENT

ITEM# 1: Meeting called to order at 1:00 P.M.:

Michael Sandefur, President called the meeting to order at 1:03 P.M.

He welcomed and thanked everyone in attendance.

He thanked Bart Brock of State Representative Gary VanDeaver's Office for taking the time to attend the meeting.

ITEM# 2: Invocation:

The Invocation was given by Michael Russell.

ITEM# 3: Discuss and take action on the approval of the minutes for July 19, 2016:

Michael Sandefur stated that each member has been provided a copy of the minutes. He stated that the minutes were longer than usual, but we wanted to make sure we are making all the points noted documenting the leadership change and issues related to the Sunset Commission. He asked if anyone had any comments or questions.

A motion was made by Michael Russell and seconded by Brad Drake to approve the minutes as presented.

The motion carried

with all members present voting AYE.

ITEM# 4: Public Comments: (PART 1):

1. George Frost, Maud, Texas.... He stated that the water designation should be given to a local entity. He stated that Region D went on record for raising Lake Wright Patman. It should be controlled by a local entity like Riverbend Water District or City of Texarkana, Texas.

Bret McCoy stated that he had watched a Video of "Killing the Colorado" and he hopes that all would get the chance to watch.

BOARD EDUCATION ITEMS:

ITEM# 5: Presentation—Overview of Region C and Region D demand:

Michael Sandefur stated it is helpful to understand the environment and the issues faced by the two regional water planning authorities we interact with.

He showed two charts from the 2017 Texas State Water Plan projecting water demands: one for Region C and one for Region D.

The first chart indicated that Region D used about 20% of water for municipal purposes and about 80% for making stuff (Manufacturing, crops, electric & Etc.). Likely, much of the "stuff" is exported from Region D to other regions.

In contrast, the second chart indicated that Region C used about 86% of the water for municipal purposes and only about 14% for making stuff. Although adjacent, Region C and Region D have totally different "personalities" on water.

He stated that the Region C population is currently about 9 times more than Region D.

The state water plan indicates that the population is expected to grow substantially in both regions; population is projected to increase 65% in Region D and 91% in Region C over the 50 year planning timeframe. Thus, Region C will be increasing its share of the population even more than the current 9 times ratio.

He stated that he did not know the best answer to prioritizing the allocation of water – both people and making things are important. He suggested that Region C and Region D should work more closely together in the future.

Audience member Sandy Cash indicated that Region C municipal water use included that of businesses, so per capita statistics could be skewed. Consistent and accurate numbers on all studies are needed to make sure everyone is on the same page.

Michael Sandefur stated that every lake, region and district have different personalities, just like the different regions do. As a result, it will be important to understand differences when making decisions.

He stated that SRBA's studies and new studies of other stakeholders in our basin will get closer to what is the correct numbers.

ITEM# 6: Discuss and take action to arrange and schedule "Strategic Planning" Workshop on September board meeting date:

Michael Sandefur stated that the business section of the upcoming board meeting is expected to be very short with few or no action items. He stated that if we have anything to vote on we will, and if not, we will quickly go into the "Strategic Planning" Workshop.

Michael Sandefur stated that John Henry Russell, President of Texarkana College will be here at the Board Meeting next month to facilitate the "Strategic Planning".

He stated that it will be an open meeting and there will be discussions with the Board of Directors and then we will likely give the stakeholders an opportunity to speak. He stated that this will be used to prepare a first draft of the "Strategic Planning" and will result in a written document and measureable goals. Then, the SRBA will measure its progress towards the goals.

Michael Sandefur read this paragraph from the book titled "**The 10 laws of Trust**". *Trust grows when expectations are unambiguous. People need to know what winning looks like and where they stand on the path to victory. Trust comes with a scoreboard, with clarity around how results will be measured. Having no gauges is a setup for confusion. When people know what they're expected to achieve, they can focus on doing it rather than on trying to figure out what matters most. They can trust the system.*

Michael Sandefur stated that we need to have a vision and trust. He stated that we want to be judged by others as doing a good job and we will build trust if we work at it correctly.

He stated that within a few months of revisions we will have a written draft to be voted on, perhaps in the January or February meeting. The plan will continue to be revised in the future.

Brad Drake asked if any other stakeholders have a "Strategic Plan", which if so it could be helpful to SRBA's planning process.

Michael Sandefur stated that he is excited about the opportunity in the future.

ITEM# 7: Discuss and take action on approval of the FY2017 Annual Budget:

Michael Sandefur stated that each one has a copy of the Proposed Budget. He stated that he was hoping to have a "Letter" from the JCPD by now stating they would allow us to keep the overage, but that the JCPD had not had their meeting yet.

He stated that the Board had reviewed the \$225,000 operations budget both in May and last month. This meeting, we are budgeting the supplemental funds the same as last year, except that the feasibility study cost would be about \$289,000, representing the unpaid balance of the existing contracts that will be carried over into the FY2017 Budget.

He stated that we are over budget on the Legal item of this year's budget, and on office. He stated that he and Nancy had spent several hours on separating the legal items into what was sunset-related, study-related and others. He stated that the total budget was still not over budgeted.

He explained the different budget columns of the proposed budget worksheet which had been distributed; Column A, reviewed in prior meetings;

Column B, adding the Existing Contracts of Engineers;

Column C, combined A & B into the Proposed Budget for FY2017;

Column D, listing of Additional Requests to JCPD for carryover and supplemental;

Column E, Possible Amended Budget; if additional requests were approved.

Michael Sandefur asks the Board of Directors for approval of the Column C, Proposed Budget. He stated that he would be going to the JCPD Meeting on Friday, August 19, 2016 and he would know more after that meeting about the additional requests.

He stated that we need funding from local interests and not just JCPD.

A motion was made by Wally Kraft and seconded by Bret McCoy to approve the Proposed Budget as shown in Column C.

The motion carried with all members present voting AYE.

Michael Sandefur stated that he had some questions about the current cash position, and suspected some possible issues with the carryovers. He stated that he and Nancy will soon be starting the annual audit and we will be working with the Auditors to clarify these issues.

Michael Sandefur stated that the Clean Rivers Program is budgeted every two years.

He stated that we had received an extra \$11,000 for the FY2017 Budget year, which was incorporated into the CRP budget worksheet that was in the board packet.

A motion was made by Wally Kraft and seconded by Bret McCoy to approve the Clean Rivers Program Budget as presented.

The motion carried with all members present voting AYE.

ITEM# 8: Review of Statistics from 2017 State of Texas Water Plan:

Michael Sandefur briefly reviewed last month's State of Texas Water Plan chart showing the 39% negative impact of Sulphur basin sedimentation. This month the statistics related to a chart comparing of the drought in the 1950s and the more recent one.

He stated that during a drought, we don't know how long it will last or how short of water we are until it is over. The chart compared both the intensity of the two droughts and the duration of the droughts.

He stated that we do not yet know if there was a new drought of record since the 1950s until detailed science is done. The chart does not prove that the more recent drought was worse – in fact the chart made it appear perhaps less severe overall. But, he noted that getting the right science and comparable data was important.

He noted that the chart shown was for the entire state of Texas and thus was made up of averages of the different river basins. He indicated the use of averages to make specific decisions could be a problem. The question for SRBA decision-making is whether there is a new drought of record specifically in our basin, regardless of the rest of the state. Therefore, getting a new WAM for the Sulphur Basin is very important.

ITEM# 9: Discuss and take action on approving a grant application for Clean Water (CWA) Section 319 (h) Non-Point Source (NPS) Grant Program with the Texas Water Resources Institute:

Michael Sandefur stated that we have a Special Guest with us today, Dr. Lucas Gregory, and asked John Jarvis to introduce Lucas to the Board of Directors.

John stated that Lucas Gregory was with the Texas Water Resource Institute (TWRI). He began working at TWRI in 2006 after he earned his Master's in water management and hydrological sciences and Bachelor's in agricultural systems management, both from Texas A&M University. Lucas said he had been raised by an A&M family, so he had no choice but choose A&M.

John stated that Lucas and others with TWRI have been working closely with him, Mike Buttram and Nancy Rose to get this Grant process finalized. He stated that they have all been very helpful in getting this done. John stated that we have a small window of getting this Grant at this time due to competition for limited resources, but there will be other Grants to apply for at later dates.

Lucas Gregory stated that he had done research on proposal for Section (CWA) 319.

He stated that we have to do the Quality Assurance Project Plan (QAPP), which is a lot of paperwork. Then we have to do the Characterization Water Plan to be able to identify the data, with the following approach:

Task 1: Characterization Water Plan

Task 2: Watershed Model (To identify the problem areas)

Task 3: Evaluation Management Strategy

Task 4: Stakeholders Engagement

Lucas stated that we should hear back in October if we were tentatively selected, and it would probably be September 2017 before the Grant is funded. If SRBA does receive the Grant, it requires an 80% to 20% match. SRBA can use some of the Clean Rivers Program as Work in Kind for this match.

Michael Sandefur stated that he had seen lots of E-Mails going back and forward between SRBA and TWRI to design the project and prepare the grant application. He stated that we have received three "Letters of

Support” for SRBA in this Grant. He stated the “Letters of Support” were from Cass County Judge, Northeast Texas Municipal Water District and State Representative Gary VanDeaver.

He stated that Region D would not be having a meeting in time to approve the letter and he was hoping that Riverbend Water Resource District would approve a letter of support meeting is the next day.

A motion was made by Michael Russell and seconded by Wally Kraft to give the authorization to Michael Sandefur to sign the Grant Application.

The motion carried with all members present voting AYE.

ITEM# 10: Discuss Sunset related open meetings/transparency and other Sunset matters:

Michael Sandefur stated that the Sunset hearing from the Commissioners was to be held on Monday, August 22nd, 2016 at 9:00 A.M.

He stated that he had asked three times if we need to be present for the Hearing. He was told “No” every time and was told there would not be any Testimony given by anyone.

He stated that he would not be able to attend, but asked if any of the Board of Directors would like to attend. Michael Sandefur read some of the recommendations.

1. Institute new leadership at SRBA by requiring the terms of all SRBA board members to expire on September 1, 2017.
2. Direct the SRBA board to hire an executive director.
3. Direct SRBA to seek local financial investment in its water development projects.
4. Direct SRBA to seek bids for the next phase of its feasibility study.
5. Direct SRBA to implement best practices to improve transparency and openness in its operations.

Adopt recommendation 1.5, but also require SRBA, after posting board materials on its website, to create a listserv to enable people to sign up for updates when the board posts new materials to the website.

Two new requirements were added for consideration:

Repeal Sulphur River Basin Authority’s unused authority to provide hydroelectric power, parks and recreation facilities, solid waste service, and forestation services.

Require the Sulphur River Basin Authority to seek the advice and consent of the Ark-Tex-Council of Governments before making a decision on a project for which it would seek permits.

He stated that we would likely be addressing these Sunset recommendations through the Strategic Planning process.

Michael Sandefur stated that he, Nancy and John met with our Webpage provider to have some updates done.

He stated that he hopes soon to have more information on the Webpage that will be helpful to all.

ITEM# 11: Updates on the Clean Rivers Program:

Dr. Mike Buttram thanked Lucas Gregory for all his help in the TWRI Grant.

Dr. Buttram stated that he had finished all the water monitoring, except for one site.

He stated that he has completed the Quality Assurance Project Plan (QAPP).

He stated that he and Nikki Dictson, TWRI, is working on setting up some dates for SRBA to help present information on Riparian Buffers. He stated there should be three workshops. The first two should be held in November 2016 in Paris, Texas and Red River County. The third one should be held in February 2017 in Texarkana, Texas.

He will be getting more information out to the public on public meetings soon.

ITEM# 12: Updates on the Feasibility Study:

John Jarvis, Consultant stated that each one has a copy of the July monthly report and the RPS guide sheet.

He stated that he had attended a two-day Workshop at the Ft. Worth Corps of Engineers Office on the Mitigation and the EFM and the EFM is 99.9% complete.

He stated that there is lots of information now provided by the Corps of Engineers, so SBG can now get started integrating this information into the study. The next 60 days is going to be moving fast to get the workload done by December 31, 2016.

He stated that the date for TSP should be completed by December 31, 2016, but that is not in writing.

ITEM# 13: Updates on Region D:

Michael Sandefur stated that he and Katie attended the Region D Meeting.

He stated that there was a room full of people and Mr. Bech Bruun, Chairman of TWDB, spoke at the Region D Meeting.

He stated that the term was up for Linda Price, Chair of Region D so there will be a new Chairman selected at the next meeting. He stated that they also added or changed out 8 new board members.

He stated that Mr. George Frost almost said some good things about SRBA during the meeting.
Michael Sandefur stated that it was a good meeting and we will continue to support the Region D.

ITEM# 14: Announcements from the Board of Directors and/or Staff:

Nancy Rose stated that the next meeting is set for September 20, 2016 at 1:00 P.M.

ITEM# 15: Public Comments: (Part 2):

Gary Cheatwood, Bogota, Texas– He stated that WFFA News Station is doing a broadcast of the Sulphur River on September 12, 2016 at 10:00 P.M. He stated that he thought we all may want to watch it.

Sandy Cash, Talco, Texas (City of Irving)– He stated that he apologized to Mr. Sandefur for saying “No” to the Strategic Plan question. He stated that it is all on the “City of Irving, Texas” Webpage, but it is long report that is more of an operational plan than a strategic plan.

George Frost, Maud, Texas— He stated that how can SRBA say Trust if there is not openness, because he wants to be invited to attend the JCPD Meeting. He stated that Sunset needs to make sure someone oversees all.

ITEM# 16: Adjournment:

Michael Sandefur made the Recommendation to adjourn and Wally Kraft seconded the motion.
The motion carried with all members present voting AYE.

MICHAEL SANDEFUR, PRESIDENT