

**RED RIVER AUTHORITY OF TEXAS**  
**Regular Board of Directors Meeting**  
**Meeting Minutes**  
**July 17, 2024**

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The Red River Authority of Texas Board of Directors held a regularly scheduled meeting on Wednesday, July 17, 2024 at 9:00 a.m. The meeting was held at the Authority's Administrative Offices located at 3000 Hammon Road, Wichita Falls, Texas.

The meeting was open to the public, and the agenda was publicly posted in accordance with Open Meetings Act requirements.

The following directors, staff, and guests were present:

Directors:           Mr. Jerry Bob Daniel, President, Truscott  
                          Mr. Conrad J. Masterson, Jr., Vice President, Cee Vee  
                          Mr. Michael R. Sandefur, Secretary/Treasurer, Texarkana – *Via Zoom*  
                          Ms. Mary Lou Bradley, Assistant Secretary, Memphis  
                          Mr. Jerry Dan Davis, Wellington  
                          Ms. Tonya D. Detten, Panhandle  
                          Mr. Stephen A. Thornhill, Denison – *Via Zoom*  
                          Mr. Joe L. Ward, Telephone

Staff:                Mr. Fabian A. Heaney, General Manager  
                          Mr. Bryan Schaffner, Assistant General Manager  
                          Ms. Danna P. Bales, Executive Assistant  
                          Ms. Lana Hefton, Controller  
                          Mr. Glen Hite, IT Systems Administrator

Guests:             None

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**Item One:           Call the Meeting to Order, Roll Call, Pledge of Allegiance to the Texas and U.S. Flags and Invocation.**

Mr. Daniel called the meeting to order at 9:02 a.m. Ms. Bales performed roll call and announced that a quorum of the Board was present. Pledges of allegiance to the United States and Texas Flags were said by all. Mr. Daniel then provided the invocation.

**Item Two: Public Comments to the Board of Directors.**

There were no public comments to the Board of Directors.

**Item Three:****CONSENT AGENDA**

*Items on the consent agenda will be considered and acted on in one motion.*

- a. Approval of the Minutes of the Regularly Scheduled Board of Directors Meeting Held on April 17, 2024, and Take Any Other Action Deemed Necessary.
- b. Consider Approval of Directors' Expenses, and Take Any Other Action Deemed Necessary.

Following review of the consent agenda items, Ms. Ward made a motion that the items on the consent agenda be approved, as presented. Mr. Davis seconded the motion, which passed unanimously by a vote of **8 For** and **0 Against**.

**REGULAR AGENDA****Item Four: Conduct an Executive Session of the Board of Directors, Pursuant to Government Code Section 551.072, Deliberation Regarding Real Property.**

The Board went into Executive Session from 9:07 a.m. to 9:52 a.m.

**Item Five: Consider Taking Any Action Deemed Necessary from the Executive Session.**

Ms. Detten made a motion to authorize the earnest money contract for purchasing a section of land for the Lockett Water System. Her motion was seconded by Mr. Davis, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

**Item Six: Receive an Overview of the Preliminary Fiscal Year 2024-2025 Consolidated Annual Operating Budget from Controller, Ms. Lana Hefton, and Take Any Other Action Deemed Necessary.**

Ms. Hefton provided an overview of the preliminary projected income and expenditures by division for Fiscal Year 2024-2025. There was no action on this item.

**Item Seven:                   Receive a Status Update on the Accounting and Utility Software Conversion from Controller, Lana Hefton, and Take Any Other Action Deemed Necessary.**

Ms. Hefton provided a status update on the accounting and utility software conversion. There was no action on this item.

**Item Eight:                   Consider Resolution No. 2024-006, Adopting the New Wholesale Water Rate to be Charged to the City of Chillicothe, Texas, and Take Any Other Action Deemed Necessary.**

Mr. Heaney explained that the City of Chillicothe purchases water through the Authority's lines from the Greenbelt Municipal and Industrial Water Authority (GMIWA). The contract states that it is subject to adjustments when the Authority rates are increased by GMIWA. Mr. Heaney then referred to the draft letter to be sent to the City of Chillicothe located in the Board Book, notifying them of the latest increase.

Following minor discussion, Mr. Sandefur made a motion to approve Resolution No. 2024-006, adopting the new wholesale water rate to be charged to the City of Chillicothe, Texas. Mr. Ward seconded the motion, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

**Item Nine:                   Consider Resolution No. 2024-007 Supporting the Coalition of Rural State of Texas River Authorities to Obtain State Funding, and the Execution of an Interlocal Agreement for the Same, and Take Any Other Action Deemed Necessary.**

Mr. Heaney explained that at a recent Texas Water Conservation Association Conference, there was discussion on legislative initiatives for rural river authorities. From that meeting, the creation of a coalition of rural river authorities was created. He stated that the coalition consists of Angelina and Neches River Authority, Nueces River Authority, Red River Authority, Sulphur Basin River Authority, and Upper Colorado River Authority. He explained that the purpose of the coalition is to have a cooperative joint effort to promote studies of area project needs for each river authority, and to secure funding from the Texas Legislature for rural river authority water resource projects. He added that the River Authorities are seeking legislative funding of \$25 million distributed over the next 5 budget years. The funding will support engineering studies for each river authority for planning and design, and support of capital expenditures. Additionally, he stated that Nueces River Authority will perform the administrative tasks of the coalition.

Mr. Heaney explained that the Authority's commitment of funds will not exceed \$10,000 to enable the Nueces River Authority, using its approved procurement process, to create and prepare a brochure for said river authorities to secure special Texas legislative funding for studies and projects for each river authority. The total budget of this task is estimated at \$32,000.

**Item Nine: Consider Resolution No. 2024-007 Supporting the Coalition of Rural State of Texas River Authorities to Obtain State Funding, and the Execution of an Interlocal Agreement for the Same, and Take Any Other Action Deemed Necessary. (continued)**

Additionally, Mr. Heaney explained that the Authority's commitment of funds will not exceed \$2,500, to enable the Nueces River Authority, using its approved professional services process, to create and prepare legislative draft documents for said River Authorities to provide to Texas Legislators for potential State Bills. The total budget of this task is estimated at \$10,000.

Mr. Heaney then stated that each River Authority must authorize support for the coalition and execute an Interlocal Agreement between the River Authorities before coalition action begins.

Following minor discussion, Mr. Sandefur made a motion to approve Resolution No. 2024-007, supporting the Coalition of Rural State of Texas River Authorities to obtain state funding, and the execution of an Interlocal Agreement for the same. He added that this includes a \$2,500 cap of Authority committed funds to enable the Nueces River Authority to create and prepare legislative draft documents to be provided to Texas Legislators for potential State Bills. Additionally, Mr. Sandefur stated that his motion includes a \$10,000 cap of Authority committed funds to enable the Nueces River Authority to create and prepare a brochure for the coalition to utilize in an effort to secure special Texas legislative funding for studies and projects for each River Authority. Mr. Masterson seconded the motion, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

**Item Ten: Consider Resolution No. 2024-008, Authorizing the Application for Participation in the Texas Short Term Asset Reserve Program (TexSTAR), and Take Any Other Action Deemed Necessary.**

Mr. Heaney stated that TexSTAR has been included in the Authority's Investment Policy for some time, but has never been utilized for investment services. After research, it has been determined that their offered rates are competitive with other Authority investment options currently authorized. He explained that an application will need to be submitted to provide the Authority with an additional investment option emphasizing safety and liquidity. He added that this will provide greater flexibility for optimizing our investment returns.

With no discussion, Mr. Masterson made a motion to approve Resolution No. 2024-008, Authorizing the Application for Participation in the Texas Short Term Asset Reserve Program (TexSTAR). His motion was seconded by Mr. Davis, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

**Item Eleven: Receive a Recommendation to Declare Excess and Obsolete Equipment and Vehicles as Surplus Property for Sale or Disposal, and Take Any Other Action Deemed Necessary.**

Mr. Schaffner referred to the list in the Board Book, and explained that recently the Authority purchased four new vehicles on the Authority's vehicle replacement program. He added that three used vehicles, as well as some equipment are considered to be either unusable or excess, and needed to be declared as such.

With no discussion, Mr. Masterson made a motion to declare the excess and obsolete equipment and vehicles presented as surplus property for sale or disposal. His motion was seconded by Ms. Detten, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

**Item Twelve: Consider Authorization for the Emergency Repair and Replacement of Power and Control Cables for the Preston Shores Water System, and Take Any Other Action Deemed Necessary.**

Mr. Schaffner explained that both of the lake pumps for the Preston Shores Water System were removed for maintenance and troubleshooting in mid-May, and the system is currently operating on a shoreline diesel-driven water pump. He then explained the findings of each of the pumps, as well as the solutions to get the pumps back in to operation.

He added that once they are back in operation, they will need to be removed from the lake annually or bi-annually for maintenance to ensure the reduction of expense and difficulty associated with this task. He added that it will also increase component life and sustainability.

Following a detailed explanation of the emergency plans to get the pumps back into operation, Mr. Schaffner then explained the detailed request for emergency funding below:

\$ 60,000 – New power cable(s) to replace the old cable(s)
10,000 – Build custom barge in house for ease of pump maintenance
12,000 – System matched pump impellers
10,000 – Rock to repair road between shore and electric panel
10,000 – Diver
15,000 – Conduit for the power wires and control cables
10,000 – Excavation of existing power cables
23,000 – Unknown Expenses
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\$150,000 – Estimated Total

**Item Twelve: Consider Authorization for the Emergency Repair and Replacement of Power and Control Cables for the Preston Shores Water System, and Take Any Other Action Deemed Necessary. (continued)**

Mr. Schaffner added that the emergency repair costs would be funded by Authority reserves, and every effort will be made to reduce the immediate cost.

Following discussion, Mr. Sandefur made a motion to authorize the funding for emergency repair and replacement of power and control cables for the Preston Shores Water System for an amount not to exceed \$150,000, utilizing Authority reserves. His motion was seconded by Mr. Ward, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

**Item Thirteen: Consider, Pursuant to Article 8280-228, VATCS Section 14, Commissioning Three Authority Employees (Matthew Tullock, Michael Heckathorn, and Bryan Schaffner) as Special Investigators for the Authority, and Take Any Other Action Deemed Necessary.**

Mr. Heaney explained that the Authority is empowered by law (Article 8280-228, §14, (a), (c), (d), and (k), VATCS and Sections 12, 16, and 26 of the Texas Water Code) for the purpose of investigating complaints, performing investigative water quality surveys, and promoting water quality protection of the natural resources within the Red River Basin. He also stated that the Authority's Administrative Policy and Procedure Manual states that, *"The Authority shall maintain an adequate complement of Special Investigators for the purpose of investigating complaints, performing investigative water quality surveys, and promoting water quality protection of the natural resources within the Red River Basin. Each officer shall be commissioned by the Board of Directors and function under the direct supervision of the General Manager or his designee."* Mr. Heaney added that currently, there are only two commissioned Special Investigators, Fabian Heaney, General Manager, and Daniel Medenwaldt, Clean Rivers Program Supervisor. The Authority wishes to commission the following employees as Special Investigators:

Matthew Tullock – Environmental Services Technician  
Bryan Schaffner – Assistant General Manager  
Michael Heckathorn – Regional Manager

Following minimal discussion, Ms. Detten made a motion to authorize the commissioning of three Authority employees (Matthew Tullock, Michael Heckathorn, and Bryan Schaffner) as Special Investigators for the Authority. Her motion was seconded by Mr. Davis, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

**Item Fourteen: Other Business as the Board May Deem Appropriate:**

**a. Board Committee Reports**

There were no Board Committee updates.

**b. General Manager's Report**

Mr. Heaney provided a brief update on capital improvement projects, lead pipe lead surveys, and the Environmental Services Division.

**c. Assistant General Manager's Report**

Mr. Schaffner provided an update on the Utility Division.

**d. Executive Assistant's Report**

Ms. Bales provided an administrative update.

**e. Financial Report by the Controller**

Ms. Hefton provided a financial update.

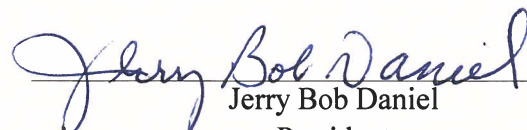
**Item Fifteen: Comments from the Directors and/or Suggestions for Future Agenda Items.**

Mr. Sandefur mentioned that he would like to receive some information on the Authority's water rights at the next regularly scheduled board meeting.

**Item Sixteen: Adjourn Meeting.**

Ms. Detten made a motion to adjourn the meeting at 12:02 p.m. Her motion was seconded by Ms. Bradley, and the motion passed unanimously by a vote of **8 For** and **0 Against**.

  
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Mary Lou Bradley  
Assistant Secretary

  
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Jerry Bob Daniel  
President

