

RED RIVER AUTHORITY OF TEXAS
Regular Board of Directors Meeting
Meeting Minutes
January 15, 2025

The Red River Authority of Texas Board of Directors held a regularly scheduled meeting on Wednesday, January 15, 2025, 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
Ms. Mary Lou Bradley, Secretary/Treasurer, Memphis
Ms. Tonya Detten, Assistant Secretary, Panhandle
Mr. Jerry Dan Davis, Wellington
Mr. Stephen A. Thornhill, Denison – *Via Zoom*
Mr. Joe Ward, Telephone

Staff: Mr. Fabian A. Heaney, General Manager
Mr. Bryan Schaffner, Assistant General Manager
Ms. Cara Clark, Administration Manager
Ms. Lana Hefton, Controller
Mr. Glen Hite, IT Systems Administrator

Guests: Mr. David Parkman, Edgin, Parkman, Fleming and Fleming, P. C.
Mr. Josh Harman, Edgin Parkman Fleming and Fleming, P. C.

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 9:00 a.m. Ms. Clark performed roll call and announced that Mr. Michael Sandefur was absent and Mr. Stephen Thornhill would be joining via Zoom. Mr. Daniel stated 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.

Mr. Stephen Thornhill joined via Zoom at 9:02 a.m.

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 Board of Directors Meeting Held on September 18, 2024.**
- b. **Approval of the Minutes of the Executive and Investment Committees Meeting Held on Tuesday, January 14, 2025.**

Following review of the consent agenda items, Mr. 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 7 For and 0 Against.

REGULAR AGENDA

Item Four: Consider Approval of the *Annual Comprehensive Financial Report for the Fiscal Years Ended September 30, 2024 and 2023*, Presented by the Authority's Auditor, and as Recommended by the Executive Committee for Audit Evaluation and Execution of the State Filing Affidavit, and Take Any Other Action Deemed Necessary.

Mr. David Parkman, with Edgin, Parkman, Fleming and Fleming, PC, thanked the Board for allowing his firm to perform the Authority's audit this year, and stated that he provided an in-depth presentation to the Executive Committee the day prior, and would be brief in his presentation, unless there were areas of the report that the board would like discuss in detail.

Referring to the Independent Auditor's Report on Financial Statements beginning on page 47 of the Board Book, he stated that the financial statements are in conformity with accounting principles generally accepted in the United States of America. Referring to the Independent Auditor's Report on page 59 of the Board Book, Mr. Parkman stated that it is a report on internal control over financial reporting and on compliance and other matters, based on an audit of the financial statements, performed in accordance with Government Auditing Standards. He stated that the results of their tests disclosed one instance of noncompliance.

Following a discussion on the current pension plan, highlighting the advantages of its overfunded status for the future, Mr. Masterson made a motion to approve the *Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024 and 2023*, as recommended by

the Executive Committee and execute the State Filing Affidavit, and take any other action deemed necessary. Mr. Davis seconded his motion, which passed unanimously by a vote of **7 For and 0 Against**.

Item Five: Consider Approval of the Investment Activity Report for the Period Ended September 30, 2024, and Resolution #2025-001 Adopting the Authority's Investment Policy, Investment Strategy, and the Investment Officers for Calendar Year 2025, as Recommended by the Executive and Investment Committees, and Take Any Other Action Deemed Necessary.

Following a general discussion, Ms. Detten made a motion to approve Resolution #2025-001 adopting the Authority's Investment Policy, Investment Strategy, and Investment Officers for the ensuing calendar year, and approve the Investment Activity Report for the period ended September 30, 2024, as recommended by the Executive Committee, and take any other action deemed necessary. Mr. Ward seconded her motion, which passed unanimously by a vote of **7 For and 0 Against**.

Item Six: Consider Approval of Resolution #2025-002, Adopting the Indirect Cost Accounting Plan for Calendar Year 2025, as Recommended by the Executive Committee, and Take Any Other Action Deemed Necessary.

Mr. Parkman stated that the Texas Commission on Environmental Quality requires that a list of agreed upon procedures be performed on the rates in the Authority's Annual Indirect Cost Accounting Plan. This is to ensure the Authority's calculations of the rates to be charged were performed in accordance with Uniform Grant Management Standards. He then provided an explanation of the findings. He reminded that the tests performed on the rate calculations are not an audit.

Mr. Davis made a motion to approve Resolution #2025-002 adopting the Indirect Cost Accounting Plan for the ensuing calendar year, as recommended by the Executive Committee, and take any other action deemed necessary. His motion was seconded Ms. Detten, which passed unanimously by a vote of **7 For and 0 Against**.

Item Seven: Consider Approval of the Purchase of Vehicles for the Utility Division through the Texas Buy Board Purchasing Cooperative, as Specified in the Fiscal Year 2024-2025 Consolidated Annual Operating Budget, and Take Any Other Action Deemed Necessary.

Following a brief discussion, Mr. Ward made a motion to approve the purchase of vehicles for the Utility Division through the Texas Buy Board Purchasing Cooperative, as specified in the Fiscal

Year 2024-2025 Consolidated Annual Operating Budget, and take any other action deemed necessary. His motion was seconded by Mr. Davis, and the motion passed unanimously by a vote of **7 For** and **0 Against**.

Item Eight: Consider Commissioning, Under Article 820-228, VATCS Section 14, Employee Barry Hines as Special Investigator for the Authority, and Take Any Other Action Deemed Necessary.

Following Mr. Heaney's explanation of the addition of a new Special Investigator, Mr. Davis made a motion to authorize Mr. Barry Hines as Special Investigator for the Authority, and take any other action deemed necessary. His motion was seconded by Mr. Masterson, which passed unanimously by a vote of **7 For** and **0 Against**.

Item Nine: Consider the Bids Received and Awarding of the Contract for the Preston Shores Water System Ground Storage Tanks Project, and Take Any Other Action Deemed Necessary.

Mr. Heaney provided an overview of the bids the Authority received, and stated the recommendation of Biggs & Mathews, Inc. was to award the project to Haynie Leadership Group, Inc. dba A&V Water in the amount of \$1,176,825.72 with the addition of Additive Alternate Bid Item 2-A in the amount of \$32,500. Mr. Davis made a motion to authorize awarding the Bid of the Contract for the Preston Shores Water System Ground Storage Tanks Project to A&V Water, and take any other action deemed necessary. His motion was seconded by Mr. Masterson, which passed unanimously by a vote of **7 For** and **0 Against**.

Item Ten: Consider Authorizing the Advertisement for Request for Qualifications for Auditing Services, and Take Any Action Deemed Necessary.

Following a discussion, Ms. Detten made a motion approving the authorization of Advertisement for Request for Qualifications of Auditing Services, and take any other action deemed necessary. Mr. Masterson seconded her motion, and the motion passed unanimously by a vote of **7 For** and **0 Against**.

Item Eleven: Consider Authorizing the General Manager to Execute Contracts for the Purchase of Treated Wholesale Water with the City of Childress and with the City of Wellington, and Take any other Action Deemed Necessary.

Following a discussion, Ms. Detten made motion authorizing the General Manager to execute contracts for the purchase of treated wholesale water with the City of Childress and with the City of Wellington, and take any other action deemed necessary. Her motion was seconded by Mr. Thornhill, and the motion passed unanimously by a vote of **7 For** and **0 Against**.

Item Twelve: Review and Discussion of the 2025-2030 Strategic Plan Draft, and Take Any Other Action Deemed Necessary.

Referring to the summary in the Board Book, Mr. Heaney provided an update on the Strategic Plan initiatives to the Board and a general discussion took place regarding the updates in the priorities. No action was taken on this item.

Item Thirteen: Discussion on the President's or General Manager's Authority to Execute Contracts According to the Bylaws of Red River Authority of Texas, Section 19.

A general discussion took place pertaining to the President's or General Manager's authority to executing a renegotiating a purchase water contract. Research will be conducted on prior Resolutions. No action was taken on this item.

Item Fourteen: Conduct an Executive Session of the Board of Directors Pursuant to Government Code Section §551.074:

a. Conduct a Review of the General Manager and Receive Recommendations from the Executive Committee.

The Board went into Executive Session from 10:18 a.m. to 11:12 a.m.

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

Ms. Detten made motion to give the General Manager a 5% raise. Mr. Masterson seconded the motion, and the motion passed unanimously by a vote of **7 For** and **0 Against**.

Item Sixteen: Consider Approval of Directors' Expenses, and Take Any Other Action Deemed Necessary.

Mr. Masterson made a motion the Directors' Expenses be approved, as presented. His motion was seconded by Mr. Thornhill, and the motion passed unanimously by a vote of **7 For** and **0 Against**.

Item Seventeen: 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.

c. Assistant General Manager's Report

Mr. Schaffner provided a brief update.

d. Administration Manager's Report

Ms. Clark provided an administrative update.

e. Controller's Report

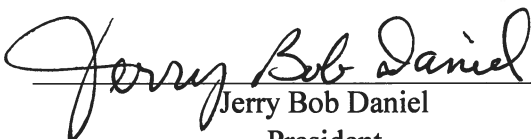
Ms. Hefton provided a financial update.

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

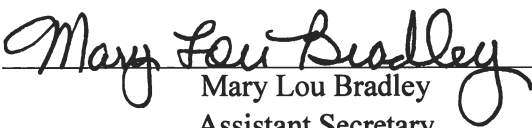
General Discussion. The July Board meeting will be moved July 23, 2025.

Item Nineteen: Adjourn Meeting.

Mr. Davis made a motion to adjourn the meeting at 11:53 a.m. His motion was seconded by Mr. Ward, and the motion passed unanimously by a vote of **7 For** and **0 Against**.



Jerry Bob Daniel
President



Mary Lou Bradley
Assistant Secretary