

Benbrook Water Authority
1121 Mercedes Street
Regular Meeting
February 18, 2020
6:00 p.m.

The Board of Directors for the Benbrook Water Authority met in a regular meeting on February 18, 2020 with the following Directors present:

President David W. Hafer
Vice President Nick Dons
Secretary Karen Henderson
Director Rick Whitehurst
Director David Clark

Also Present:

David Smith, General Manager
Sheila Rushing, Recording Secretary

Others Present:

Kent Williams
Andy and Raiana Weeter
Adam LanCarte

President Hafer called the meeting to order at 6:01 p.m. and gave the invocation.

Citizen Comments on any Agenda Item

There were no Citizen Comments.

Consent Agenda

1. Minutes of the Regular Meeting January 21, 2020
2. Financial Statement for January 2020
 - 1) Revenues \$786,261.05
 - 2) Expenditures \$981,331.16
3. Disbursements for January 2020
 - 1) Deposits & Credits \$966,742.70
 - 2) Disbursements \$975,548.59
4. 2019 Budget Adjustments

Motion was made by Vice-President Dons, second by Director Clark to approve the consent agenda as presented.

Vote on motion.

Ayes: Director Whitehurst, Vice-President Dons, President Hafer, Secretary Henderson

and Director Clark.

Noes: None.

Motion carries.

Reports of Manager

Mr. Smith gave a brief report on the following:

1. Development Update
2. Studies
3. 2016 Bond Fund Projects
4. 2019 Bond Fund Projects

With reference to Item 2, (Studies) - Basin 7 Sanitary Sewer Evaluation (2020-111) Phase II, Secretary Henderson stated she wanted to make certain that BWA communicates well with the Citizens in that area on the smoke-testing portion of the project and keeps them updated accordingly.

New Business

1. Consider, Discuss and Possibly Approve Annual Requirements Contract for supply of Liquid Chlorine.

Bids were solicited last month, and one bid was received on February 6 from DPC Industries, Inc. of Cleburne, Texas. The bid submittal has been evaluated by Staff and confirmed to be in accordance with the bid requirements.

DPC Industries has proposed to provide liquid chlorine as specified for a unit price of \$794 per ton for chlorine shipped in ton-containers and \$0.6933 per pound for chlorine shipped in 150-pound cylinders. Based on average demands and the unit prices bid, the anticipated annual cost for liquid chlorine is estimated to be \$35,640.

This contract provides for an initial one (1) year term, with up to four (4) additional one-year renewals, subject to mutual agreement between the vendor and Authority.

After a brief discussion, motion was made by Director Whitehurst, second by Secretary Henderson to approve the Annual Requirements Agreement with DPC Industries for supply of Liquid Chlorine in accordance with the bid submitted and authorize the General Manager to execute the Agreement.

Vote on motion.

Ayes: Vice-President Dons, President Hafer, Secretary Henderson, Director Clark and Director Whitehurst.

Noes: None.

Motion carries.

2. Consider, Discuss and Possibly Adopt Resolution 2020-01, a Resolution Adopting and Implementing a Debt Management Policy.

Mr. LanCarte with Hilltop Heights Security briefed the Board on the importance of adopting a Debt Management Policy. He stated the policy provides the following guidance for staff:

- Ensure high quality debt management decisions;
- Ensure support for debt issuances both internally and externally;
- Impose order and discipline in the debt issuance process;
- Promote consistency and continuity in the decision making process;
- Ensure that the debt management decisions are viewed positively by rating agencies, investment community and taxpayers; and
- Demonstrate a commitment to long-term financial planning objectives.

After some discussion, motion was made by Director Clark, second by Vice-President Dons to adopt Resolution 2020-01 as presented.

Vote on motion.

Ayes: Vice-President Dons, President Hafer, Secretary Henderson, and Director Clark.

Noes: None.

Abstain: Director Whitehurst.

Motion carries.

3. Consider, Discuss and Possibly Adopt Resolution 2020-2, a Resolution Adopting and Implementing Disclosure Policies and Procedures

Mr. LanCarte noted that a few taking points for adopting a Disclosure Policy would be:

- The Securities Exchange Commission imposed new rules on municipal issuers that became effective for Bond issues after February 27, 2019.
- BWA became subject to the new disclosure requirements with the issuance of BWA's \$6,630,000 Waterworks and Sewer System Revenue Bonds, Series 2019 in July 2019.
- BWA is required to annually file updated financial information within 6-months of the end of the Authority's fiscal year and works with Hilltop Securities to timely file the information.
- The new SEC requirements require that BWA also monitor and file, if appropriate, information regarding "Financial Obligations" of BWA.

- The Disclosure Policies and Procedures sets up a formal policy to ensure that Bwa complies with all federal securities in the issuance of BWA bonds and all continuing disclosure requirements.
- The Policies formalize many of the processes that BWA already utilizes in connection with the issuance of BWA Bonds
- Following the Procedures protects BWA in the very unlikely event the SEC ever challenges BWA's disclosure.

After a brief discussion, motion was made by Director Clark, second by Vice-President Dons to adopt Resolution 2020-2 as presented.

Vote on motion.

Ayes: President Hafer, Secretary Henderson, Director Clark, and Vice-President Dons.

Noes: None.

Abstain: Director Whitehurst.

Motion carries.

Public Comment

There were no Public comments.

Director / Staff Comment

There were no Director / Staff comments.

There was no need for Executive Session, therefore it was canceled.

There being no further business, the meeting adjourned at 6:28 p.m.

Board President

Date

Recording Secretary

