MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
HELD ON THURSDAY, AUGUST 28, 2014
IN THE NTMWD ADMINISTRATIVE OFFICES, WYLIE, TEXAS

The North Texas Municipal Water District Board of Directors met in Regular Session on Thursday, August 28, 2014, at 4:00 p.m. in the Administrative Offices, 505 East Brown Street, Wylie, Texas. Notice of the meeting was legally posted in accordance with Government Code, Title 551, Open Meetings.

President Darwin Whiteside called the meeting to order. President Darwin Whiteside advised that Director Don Gordon would be abstaining from voting on Agenda Item Nos. VIII. I. and S., and that Director Larry Parks would be abstaining from voting on Agenda Item Nos. VIII. B., K., N., and U. Director Joe Joplin abstained from voting on Agenda Item No. VIII. P.

I. INVOCATION

Director Joe Joplin offered the invocation.

II. ROLL CALL

Secretary Terry Sam Anderson conducted a roll call. Director Don Cates was absent. The following Directors were present for the August 28, 2014, Board meeting:

- Terry Sam Anderson
- Joe Farmer
- Marvin Fuller
- Don Gordon
- Darrell Grooms
- Bill Harrison
- Joe Joplin
- Bill Lofland
- James Kerr
- Jack May
- Charles McKissick
- Jim Mellody
- John Murphy
- Patrick Nicklen
- Larry Parks
- Richard Peasley
- Bobby Robinson
- Richard Sheehan
- Lynn Shuyler
- Shep Stahel
- John Sweeden
- Bob Thurmond
- Darwin Whiteside
- Jerry Yancey

The following NTMWD consultants attended the meeting:

- Shannon Kackley – Gay McCall Isaacks Gordon & Roberts
- David Medanich – First Southwest Company
- Alan Raynor – McCall, Parkhurst & Horton
- Mark Walsh – Saunders, Walsh & Beard
III. RECOGNITION OF GUESTS

President Darwin Whiteside recognized incoming Board member, Richard "Dick" Peasley of Frisco.

Executive Director Tom Kula recognized the following NTMWD Wastewater System employees in recognition of the NTMWD Wastewater Treatment Plants receiving Silver, Gold, and Platinum Peak Performance Awards from the National Association of Clean Water Agencies:

- Steven Parker and Andrew Gomez – Bear Creek Wastewater Treatment Plant (WWTP)
- Michael Curry and Andrew Gomez – Buffalo Creek WWTP
- Michael Gonzalez and Jeremy Thompson – Stewart Creek West WWTP
- Dustin Bailey and Dan Spradlin – Panther Creek WWTP
- Joe Thorpe and Andrew Gomez – Seis Lagos WWTP
- Brad Herrmann and Jeremy Thompson – Cottonwood WWTP

IV. OATHS OF OFFICE

The following recently appointed Director was given an Oath of Office by Melisa Fuller prior to any action by the Board of Directors:

A. Director Richard Peasley, Frisco

V. PUBLIC COMMENTS

There were no public comments.

VI. CONSENT AGENDA ITEMS

Upon a motion by Director John Murphy and a second by Director Darrell Grooms, the Board of Directors voted unanimously to approve all the consent agenda items as follows:

A. Consider Approval of Board of Directors Meeting Minutes – July 24, 2014
   (Please refer to Consent Agenda Item No. 14-08-01)

B. Consider Authorizing Execution of Contract Amendment No. 9 to the Interlocal Agreement by and Between Collin County, Texas, and the North Texas Municipal Water District for Participation in the County Cleanup Day Program
   (Please refer to Consent Agenda Item No. 14-08-02)

C. Consider Authorizing Execution of Contract Amendment No. 5 to the Interlocal Cooperation Agreement by and Between the North Texas Municipal Water District and Collin County, Texas, for Placement of Roll-Off Recycling Container at the 121 Regional Disposal Facility
   (Please refer to Consent Agenda Item No. 14-08-03)
D. Consider Authorizing Change Order No. 4 and Authorization to Make Final Payment on Project No. 222, Rowlett Creek Regional Wastewater Treatment Plant 2011 Improvements
(Please refer to Consent Agenda Item No. 14-08-04)

E. Consider Authorizing Change Order No. 2 on Project No. 202, High Service Pump Station 1-1 Electrical Improvements
(Please refer to Consent Agenda Item No. 14-08-05)

F. Consider Authorizing Additional Engineering Services on Project No. 347, Environmental Services Building Heating, Venting, and Air Conditioning System Repair
(Please refer to Consent Agenda Item No. 14-08-06)

G. Consider Authorizing Execution of Air Monitoring Site Agreement with the Texas Commission on Environmental Quality for Air Monitoring Station at Rockwall No. 1 Delivery Point
(Please refer to Consent Agenda Item No. 14-08-07)

H. Consider Authorizing Change Order No. 1 on Project No. 296, Wylie Water Treatment Plant Improvements for Lagoon Nos. 1, 2, and 3
(Please refer to Consent Agenda Item No. 14-08-08)

VII. SUPPLEMENTAL EMERGENCY ACTION ITEM

(Please refer to Administrative Memorandum No. 4253)

(Please note this item was added to the Agenda pursuant to Section 551.045 of the Texas Government Code to address an imminent public health and safety issue requiring the Board's immediate attention).

Executive Director Tom Kula reviewed the supplemental emergency agenda item posted pursuant to Section 551.045 of the Texas Government Code to address an imminent public health and safety issue requiring the Board's immediate attention.

Upon the recommendation of the Water Committee, a motion by Director Charles McKissick, and a second by Director Shep Stahel, the Board of Directors voted unanimously to return to the published Stage 3 Water Management Strategy of once per week watering schedule effective September 1, 2014, of NTMWD's Water Conservation and Drought Contingency/Water Emergency Response Plan (March 2008).
VIII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

A. Consider Adoption of Resolution No. 14-15 Commending Director Gary Downey for 12 Years of Service as a Member of the NTMWD Board of Directors (Please refer to Board Memorandum)

Upon a motion by Director Patrick Nicklen and a second by Director Joe Farmer, the Board of Directors voted unanimously to adopt Resolution No. 14-15 commending Director Gary Downey for 12 years of service as a member of the NTMWD Board of Directors.

B. Consider Authorizing Execution of Engineering Services Agreement on Project No. 358, Lower Bois d'Arc Creek Reservoir Intake and Pump Station Preliminary Engineering (Please refer to Administrative Memorandum No. 4232)

Upon a motion by Director Lynn Shuyler and a second by Director James Kerr, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with Freese and Nichols, Inc., for preliminary design services associated with Lower Bois d'Arc Creek Reservoir Intake and Pump Station, Project No. 358, in the not-to-exceed amount of $1,293,000.

C. Consider Authorizing Award of Construction Contract on Project No. 302, Water Treatment Plant II Filter Underdrain Improvements and Conversion to Biologically Active Filters, Phase I (Please refer to Administrative Memorandum No. 4233)

Upon a motion by Director Lynn Shuyler and a second by Director Patrick Nicklen, the Board of Directors voted unanimously to authorize award of a construction contract to Red River Construction Company for Project No. 302, Water Treatment Plant II Filter Underdrain Improvements and Conversion to Biologically Active Filters, Phase I, in the amount of $8,165,485.

D. Consider Authorizing Execution of Engineering Services Agreement on Project No. 364, Wylie Water Treatment Plant III Foundation Drain Return Improvements (Please refer to Administrative Memorandum No. 4234)

Upon a motion by Director Lynn Shuyler and a second by Director Bobby Robinson, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with Black & Veatch Corporation for design and construction phase services for Project No. 364, Wylie Water Treatment Plant III Foundation Drain Return Improvements, in the not-to-exceed amount of $100,750.

E. Consider Authorizing Change Order No. 3 on Project No. 298, High Service Pump Station 2-2 and 2-3 Electrical Improvements (Please refer to Administrative Memorandum No. 4235)
Upon a motion by Director Joe Farmer and a second by Director James Kerr, the Board of Directors voted unanimously to authorize Change Order No. 3 for an increase of $40,481.62, resulting in a revised contract amount of $5,015,569.04 and 30 calendar days of additional contract time, resulting in a final completion date of August 19, 2015, for Project No. 298, High Service Pump Station 2-2 and 2-3 Electrical Improvements.

F. Consider Authorizing Award of Construction Contract on Project No. 327, South Mesquite Creek Regional Wastewater Treatment Plant Screenings Handling Improvements
(Please refer to Administrative Memorandum No. 4236)

Upon a motion by Director Bobby Robinson and a second by Director John Murphy, the Board of Directors voted unanimously to award a construction contract to Crescent Constructors, Inc., for Project No. 327, South Mesquite Creek Regional Wastewater Treatment Plant Screenings Handling Improvements, in the amount of $3,270,000.

G. Consider Authorizing Reduction of Retainage on Project No. WCF 07-4 (099), Lake Tawakoni Water Treatment Plant
(Please refer to Administrative Memorandum No. 4237)

Upon a motion by Director Joe Farmer and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize a reduction in retainage from $1,569,638.58 to $1,258,685 for the Lake Tawakoni Water Treatment Plant, Project No. WCF 07-4 (099).

H. Consider Authorizing Award of Construction Contract on Project No. 345, North McKinney Interceptor Improvements, Phase I
(Please refer to Administrative Memorandum No. 4238)

Upon a motion by Director Patrick Nicklen and a second by Director Darrell Grooms, the Board of Directors voted unanimously to authorize award of a construction contract to Layne Inliner, LLC, for the North McKinney Interceptor Improvements, Phase I, Project No. 345, in the amount of $2,833,770.

I. Consider Authorizing Right-of-Way Acquisition Program and Adoption of Resolution No. 14-13 Authorizing the Use of Eminent Domain to Acquire Right-of-Way for Project No. 355, 20-Inch and 60-Inch Waterline Relocations at the North Intersection of FM 2514 and FM 1378
(Please refer to Administrative Memorandum No. 4239)

Upon a motion by Director Joe Farmer and a second by Director Bob Thurmond, the Board of Directors voted unanimously to adopt Resolution No. 14-13 authorizing the use of eminent domain to acquire right-of-way for Project No. 355, 20-inch and 60-inch Waterline Relocations at the North Intersection of FM 2514 and FM 1378, and delegating the authority to initiate condemnation proceedings to the NTMWD Executive Director with a budget of $120,000.
J. Consider Authorizing Award of Construction Contract on Project No. 347, Environmental Services Building Heating, Venting, and Air Conditioning System Repair
   (Please refer to Administrative Memorandum No. 4240)

   Upon a motion by Director James Kerr and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize award of a construction contract in the amount of $850,184.72 to DMI Corporation, Decker Mechanical, for Project No. 347, Environmental Services Building Heating, Venting, and Air Conditioning System Repair.

K. Consider Authorizing Change Order No. 2 on Project No. 188, Expand High Service Pump Station 3-1 to 350 MGD
   (Please refer to Administrative Memorandum No. 4241)

   Upon a motion by Director Lynn Shuyler and a second by Director Jerry Yancey, the Board of Directors voted unanimously to authorize Change Order No. 2 for an increase of $62,097.55, resulting in a revised contract amount of $7,919,396.49 for Project No. 188, Expand High Service Pump Station 3-1 to 350 MGD.

L. Consider Authorizing Change Order No. 3 on Project No. 320, Wylie Water Treatment Plant II Improvements for Basin Nos. 3 and 4
   (Please refer to Administrative Memorandum No. 4242)

   Upon a motion by Director Patrick Nicklen and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize Change Order No. 3 for an increase of $38,429.21, resulting in a revised contract amount of $5,476,922.98, for Project No. 320, Wylie Water Treatment Plant II Improvements for Basin Nos. 3 and 4.

M. Consider Authorizing Change Order No. 2 on Project No. 312, Lake Tawakoni Water Treatment Plant Sludge Lagoon Improvements
   (Please refer to Administrative Memorandum No. 4243)

   Upon a motion by Director John Murphy and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize Change Order No. 2 for an increase of $66,140.34, resulting in a revised contract amount of $3,573,160.68 and 30 additional days of contract time, resulting in revised substantial and final completion dates of November 12, 2014, and December 12, 2014, respectively, for Project No. 312, Lake Tawakoni Water Treatment Plant Sludge Lagoon Improvements.

N. Consider Authorizing Execution of Engineering Services Agreement on Project No. 365, System-Wide Air Valve Improvements on Wylie to Garland 42-Inch Pipeline
   (Please refer to Administrative Memorandum No. 4244)

   Upon a motion by Director Shep Stahel and a second by Director Bobby Robinson, the Board of Directors voted unanimously to authorize the Executive
Director to execute an engineering services agreement with Freese and Nichols, Inc., for design and construction phase services associated with the System-Wide Air Valve Improvements on the Wylie to Garland 42-Inch Pipeline, Project No. 365, in the not-to-exceed amount of $189,218.

O. Consider Authorizing Change Order No. 3 on Project No. 276, Wylie Water Treatment Plant Finished Water Reservoir and Flow Metering Improvements (Please refer to Administrative Memorandum No. 4245)

Upon a motion by Director Shep Stahel and a second by Director Bob Thurmond, the Board of Directors authorized Change Order No. 3 for an increase of $211,591.42 resulting in a revised contract amount of $14,382,335.37 and 31 calendar days of additional time, resulting in revised substantial and final completion dates of May 15, 2015, and July 14, 2015, respectively, for Project No. 276, Wylie Water Treatment Plant Finished Water Reservoir and Flow Metering Improvements.

P. Consider Authorizing Award of Construction Contract on Project No. 301, NTMWD Administration Building Structural Repairs, Building Renovations, and Building Additions, Task Nos. 2 and 3 (Please refer to Administrative Memorandum No. 4246)

Upon a motion by Director Shep Stahel and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize award of a construction contract to Pogue Construction for the NTMWD Administration Building Structural Repairs, Building Renovations, and Building Additions, Task Nos. 2 and 3, Project No. 301, in the amount of $8,591,366.

Q. Consider Authorizing Additional Engineering Services on Project No. 329, Water Transmission System Supervisory Control and Data Acquisition System Upgrade, Phase I (Please refer to Administrative Memorandum No. 4247)

Upon a motion by Director Joe Farmer and a second by Director Joe Joplin, the Board of Directors voted unanimously to authorize an increase to the engineering services agreement with Gupta and Associates, Inc., for the Water Transmission System Supervisory Control and Data Acquisition System Upgrade, Phase I, Project No. 329, in the not-to-exceed amount of $36,550, resulting in a revised total not-to-exceed engineering services fee of $327,280.

R. Consider Authorizing Change Order No. 28 on Project No. 153, Water Treatment Plants I, II, III, and IV Ozoneation (Please refer to Administrative Memorandum No. 4248)

Upon a motion by Director Bill Lofland and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize Change Order No. 28 for a decrease of $31,426.18 to the contract amount for Water Treatment Plants I, II, III, and IV Ozoneation, Project No. 153, resulting in a revised contract amount of $111,019,386.36.
S. Consider Adoption of Resolution No. 14-14 Authorizing Property Purchase for Project No. 350, Lavon Lake Raw Water Pump Stations Intake Channel Improvements
(Please refer to Administrative Memorandum No. 4249)

The regular session recessed at 4:41 p.m.

President Darwin Whiteside declared a need for an Executive Session of the Board of Directors to discuss real property pursuant to Section 551.072 of the Texas Government Code. The Executive Session was called to order by President Darwin Whiteside at 4:42 p.m.

The Executive Session adjourned at 5:02 p.m.

The Board of Directors reconvened into regular session at 5:03 p.m.

Director John Murphy made a motion, and then withdrew the motion, to adopt Resolution No. 14-14, which was seconded by Director Patrick Nicklen.

Upon a motion by Director Joe Farmer and a second by Director Patrick Nicklen, the Board of Directors voted unanimously to table consideration of this item until the September 2014 Board of Directors meeting.

T. Consider Authorizing Change Order No. 5 on Project No. 277, Water Treatment Plant III Filter Underdrain Improvements and Conversion to Biologically Active Filters
(Please refer to Administrative Memorandum No. 4250)

Upon a motion by Director Lynn Shuyler and a second by Director Patrick Nicklen, the Board of Directors voted unanimously to authorize Change Order No. 5 for Water Treatment Plant III Filter Underdrain Improvements and Conversion to Biologically Active Filters, Project No. 277, for an increase in the amount of $132,246, resulting in a revised contract amount of $6,947,386.95. The final completion date for this project remains January 9, 2016.

U. Consider Authorizing Change Order No. 4 on Project No. 128, Lake Texoma Pump Station Modifications
(Please refer to Administrative Memorandum No. 4251)

Upon a motion by Director Patrick Nicklen and a second by Director Charles McKissick, the Board of Directors voted unanimously to authorize Change Order No. 4 to the Lake Texoma Pump Station Modifications, Project No. 128, for an increase of $260,887.58, resulting in a revised contract amount of $6,910,847.36.

V. Consider Authorizing Execution of Engineering Services Agreement on Project No. 328, Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase 1
(Please refer to Administrative Memorandum No. 4252)
Upon a motion by Director Shep Stahel and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with CH2M HILL for design and construction phase services associated with the Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase 1, Project No. 328, in the not-to-exceed amount of $3,458,000.

IX. DISCUSSION ITEMS

The discussion item order was revised to consolidate Executive Session items, which resulted in agenda item numbers IX. D. and F. being discussed prior to agenda item numbers IX. B., C., and E.

A. Water Supply Update

Mike Rickman provided a water supply update.

B. Review Status of Request for Equitable Adjustment from McCarthy on Project No. 153, Water Treatment Plants I, II, III, and IV Ozonation

The regular session recessed at 5:11 p.m.

President Darwin Whiteside declared a need for an Executive Session of the Board of Directors to consult with attorneys pursuant to Section 551.071 of the Texas Government Code and to discuss personnel pursuant to Section 551.074 of the Texas Government Code. The Executive Session was called to order by President Darwin Whiteside at 5:12 p.m.

The Executive Session adjourned at 5:50 p.m.

The Board of Directors reconvened into regular session at 5:51 p.m.

C. Review Status of Project No. 275, Chapman Lake Water Access, Task B, Dredging

This item was discussed in Executive Session (as noted in Item IX. B).

D. Review 2014-2015 Annual All Systems Budget

Judd Sanderson provided a review of the 2014-15 Annual All Systems Budget.

E. Review 2014-2015 Compensation for Executive Director, Deputy Directors, and Director of Finance, Accounting, and Personnel

This item was discussed in Executive Session (as noted in Item IX. B.)
F.  Review 2013-2014 Water System Rebate

Judd Sanderson, Director of Finance, reviewed the proposed 2013-14 Water System Rebates, which total approximately $12.4 million. It was the consensus of the Board of Directors to place this item on the September 2014 Board of Directors meeting agenda.

X.  ADJOURNMENT

There being no further business, the meeting adjourned at approximately 5:52 p.m. The next regular meeting of the NTMWD Board of Directors will be held Thursday, September 25, 2014, at 4:00 p.m. in the NTMWD Administrative Offices, 505 E. Brown Street, Wylie, Texas.

APPROVED:

[Signature]
DARWIN WHITESIDE, President

ATTEST:

[Signature]
TERRY SAM ANDERSON, Secretary

(Seal)