MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
HELD ON THURSDAY, SEPTEMBER 25, 2014
IN THE NTMWD ADMINISTRATIVE OFFICES, WYLIE, TEXAS

The North Texas Municipal Water District Board of Directors met in Regular Session on Thursday, September 25, 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 No. VI. A., and that Director Larry Parks would be abstaining from voting on Agenda Item Nos. V. B. and VI. A., E., Q., and S.

I. **INVOCATION**

Director James Kerr offered the invocation.

II. **ROLL CALL**

Secretary Terry Sam Anderson conducted a roll call. Director Bill Harrison and Joe Joplin were absent. The following Directors were present for the September 25, 2014, Board meeting:

- Terry Sam Anderson
- Don Cates
- Joe Farmer
- Marvin Fuller
- Don Gordon
- Darrell Grooms
- 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:

- Lewis Isaacks – Gay McCall Isaacks Gordon & Roberts
- David Medanich – First Southwest Company
- Brad Castleberry – Lloyd Gosselink Rochelle & Townsend
III. RECOGNITION OF GUESTS

A. Recognition of Retiring Director Gary Downey

Executive Director Tom Kula recognized retiring Director Gary Downey and his wife, Ann. Director Downey was presented Resolution No. 14-15 commending his 12 years of service as an NTMWD Director, a plaque, and a watch.

B. Recognition of Accounting Staff for Government Finance Officers Association (GFOA) Award

Executive Director Tom Kula recognized the following Accounting employees for being awarded the Certificate of Achievement for Excellence in Financial Reporting for NTMWD's comprehensive annual financial report for the 24th consecutive year:

- Randy Heidelberg, Accounting Supervisor
- Tammy Turner, Financial Reporting Accountant
- Teresa Wigington, Accounting Manager

IV. PUBLIC COMMENTS

There were no public comments.

V. CONSENT AGENDA ITEMS

Upon a motion by Director James Kerr and a second by Director Patrick Nicklen, the Board of Directors voted unanimously to approve all the consent agenda items as follows:

A. Consider Approval of Board of Directors Meeting Minutes – August 28, 2014 (Please refer to Consent Agenda Item No. 14-09-01)

B. Consider Authorization to Make Final Payment on Project No. 260, Water Treatment Plant I, 2.5 and 3.0 MG Reservoir Roof Improvements (Please refer to Consent Agenda Item No. 14-09-02)

C. Consider Authorizing Change Order No. 1 and Authorization to Make Final Payment on Project No. 223, Prairie Creek Relief Sewer Control Structure Improvements (Please refer to Consent Agenda Item No. 14-09-03)

D. Consider Authorization to Make Final Payment on Project No. 245, Upper Rowlett Creek Lift Station Influent Metering Improvements (Please refer to Consent Agenda Item No. 14-09-04)

E. Consider Authorizing Change Order No. 2 and Authorization to Make Final Payment on Project No. 255, Forney Lift Station Improvements (Please refer to Consent Agenda Item No. 14-09-05)
F. Consider Authorizing Change Order No. 1 on Project No. 331, Custer Road Transfer Station Tipping Floor Improvements  
(Please refer to Consent Agenda Item No. 14-09-06)

G. Consider Authorizing Additional Engineering Services on Project No. 322, 121 Regional Disposal Facility Scale House Improvements  
(Please refer to Consent Agenda Item No. 14-09-07)

VI. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

A. TABLED ITEM: Consider Adoption of Resolution No. 14-14 Authorizing Implementation of Property Purchase of 36.8 Acres for Project No. 350, Lavon Lake Raw Water Pump Stations Intake Channel Improvements  
(Please refer to Administrative Memorandum No. 4249-1 and 4249-2)

Upon a motion by Director Joe Farmer and a second by Director Shep Stahel, the Board of Directors voted unanimously to take this item from the table.

President Darwin Whiteside advised the Board that the Administrative Memorandum on this item had been updated, and a copy of Administrative Memorandum No. 4249-2 was included in the Board folders.

Upon a motion by Director Shep Stahel and a second by Director John Murphy, the Board of Directors voted unanimously to adopt Resolution No. 14-14 authorizing the NTMWD Executive Director to implement the purchase of 36.8 acres for Lavon Lake Raw Water Pump Stations Intake Channel Improvements, Project No. 350, which includes authorizing one of the NTMWD’s Deputy Directors or Real Estate Manager to sign closing documents and/or execute escrow agreements for such parcel and establishing a not-to-exceed budget amount of $950,000 to include property purchase, survey, legal counsel assistance, and title work.

B. Consider Adoption of Resolution No. 14-16 Approving 2014-15 Annual All Systems Budget and Amending 2013-14 Annual All Systems Budget  
(Please refer to Administrative Memorandum No. 4254)

Upon the recommendation of the Finance/Audit Committee, a motion by Director John Sweeden, and a second by Director Shep Stahel, the Board of Directors voted unanimously to adopt Resolution No. 14-16 approving appropriations for the 2014-15 All Systems Budget, amending the 2013-14 Annual Budget, and providing rates and charges for system services of the North Texas Municipal Water District.

C. Consider Authorizing Water System Rebates for 2013-14  
(Please refer to Administrative Memorandum No. 4255)

Upon a motion by Director Patrick Nicklen and a second by Director Jack May, the Board of Directors voted unanimously to authorize Water System Rebates for 2013-14 in the total amount of $12,434,030.55.
D. Consider Adoption of Resolution No. 14-17 Authorizing the Executive Director or Designated Representative to Act on Behalf of the Board of Directors to Authorize Negotiation and Execution of Agreements Related to the Lower Bois d’Arc Creek Reservoir Mitigation Property Archaeological Survey (Please refer to Administrative Memorandum No. 4256)

Upon a motion by Director James Kerr and a second by Director Shep Stahel, the Board of Directors voted unanimously to adopt Resolution No. 14-17 authorizing the Executive Director or designated representative to act on behalf of the Board of Directors to authorize negotiation and execution of agreements related to the Lower Bois d’Arc Creek Reservoir Mitigation Property Archaeological Survey to complete negotiation of agreements with the United States Army Corps of Engineers, Texas Historical Commission, and Caddo Nation of Oklahoma regarding discovery of human remains and to execute associated agreements.

E. Consider Authorizing Execution of Engineering Services Agreement for Project No. 366, Lower Bois d’Arc Creek Reservoir Mitigation Property Preliminary Engineering (Please refer to Administrative Memorandum No. 4257)

Upon a motion by Director Lynn Shuyler and a second by Director Shep Stahel, 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 Mitigation Property, Project No. 366, in the not-to-exceed amount of $1,510,200.

F. Consider Authorizing Execution of Agreement with Fannin County Electric Cooperative on Project No. 362, Lower Bois d’Arc Creek Reservoir Preliminary Engineering for Electrical Service (Please refer to Administrative Memorandum No. 4258)

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 agreement with Fannin County Electric Cooperative for preliminary design services associated with providing electric power to the Lower Bois d’Arc Creek Reservoir Pump Station and Leonard Water Treatment Plant, Project No. 362, in the not-to-exceed amount of $130,000.

G. Consider Authorizing Execution of Inspection Services Agreement on Project No. 347, Environmental Services Building Heating, Venting, and Air Conditioning System Repair (Please refer to Administrative Memorandum No. 4259)

Upon a motion by Director John Murphy and a second by Director Charles McKissick, the Board of Directors voted unanimously to authorize the execution of an inspection services agreement with Mbroh Engineering, Inc., for providing resident project inspection services during the construction phase of the
Environmental Services Building Heating, Venting, and Air Conditioning System Repair, Project No. 347, in the not-to-exceed amount of $32,400.

H. Consider Authorizing Change Order No. 3 on Project No. 312, Lake Tawakoni Water Treatment Plant Sludge Lagoon Improvements
(Please refer to Administrative Memorandum No. 4260)

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. 3 for an increase of $34,950.41, resulting in a revised contract amount of $3,608,111.09 and 30 additional calendar days of contract time, resulting in revised substantial and final completion dates of December 12, 2014, and January 11, 2015, respectively, for Project No. 312, Lake Tawakoni Water Treatment Plant Sludge Lagoon Improvements.

I. Consider Authorizing Additional Inspection Services on Project No. 312, Lake Tawakoni Water Treatment Plant Sludge Lagoon Improvements
(Please refer to Administrative Memorandum No. 4261)

Upon a motion by Director Lynn Shuyler and a second by Director Patrick Nicklen, the Board of Directors voted unanimously to authorize an increase in the resident project inspection fee of $39,312 to Dietz Engineering resulting in a revised not-to-exceed amount of $144,312 for inspection services during construction of the Lake Tawakoni Water Treatment Plant Sludge Lagoon Improvements, Project No. 312.

J. Consider Authorizing Change Order No. 8 on Project No. 259, Water Treatment Plant I, Conversion to Biologically Active Filtration and Improvement of Existing Underdrains
(Please refer to Administrative Memorandum No. 4262)

Upon a motion by Director James Kerr and a second by Director Darrell Grooms, the Board of Directors voted unanimously to authorize Change Order No. 8 for Water Treatment Plant I Conversion to Biologically Active Filtration and Improvement of Existing Underdrains, Project No. 259, for an increase in the amount of $28,776, resulting in a revised contract amount of $8,392,131.75.

K. Consider Authorizing Adjustment of Engineering Services Agreement on Project No. 324, Wallace Street Site Improvements and Ground Storage Tank
(Please refer to Administrative Memorandum No. 4263)

Upon a motion by Director Lynn Shuyler and a second by Director Jerry Yancey, the Board of Directors voted unanimously to authorize an adjustment to the engineering services agreement with Lockwood Andrews & Newnam, for professional services associated with the Wallace Street Site Improvements and Ground Storage Tank, Project No. 324, resulting in a revised total not-to-exceed amount of $475,700.
L. Consider Authorizing Change Order No. 6 on Project No. 277, Water Treatment Plant III Filter Underdrain Improvements and Conversion to Biologically Active Filters
(Please refer to Administrative Memorandum No. 4264)

Upon a motion by Director Lynn Shuyler and a second by Director Joe Farmer, the Board of Directors voted unanimously to authorize Change Order No. 6 for an increase of $264,773, resulting in a revised contract amount of $7,212,159.95 for Project No. 277, Water Treatment Plant III Filter Underdrain Improvements and Conversion to Biologically Active Filters, with the final completion date remaining January 9, 2016.

M. Consider Authorizing Additional Engineering Services on Project No. 306, Shiloh Pump Station Improvements
(Please refer to Administrative Memorandum No. 4265)

Upon a motion by Director Bobby Robinson and a second by Director Don Gordon, the Board of Directors voted unanimously to authorize an increase to the engineering services agreement with AECOM for the Shiloh Pump Station Improvements, Project No. 306, in the not-to-exceed amount of $76,500 resulting in a revised total engineering services fee of $815,260 ($795,260 for Shiloh Pump Station Improvements, Project No. 306, and $20,000 for Richardson No. 2 Site Improvements, Project No. 307).

N. Consider Authorizing Award of Construction Contract on Project No. 297, Water System Maintenance Facilities, South Region, Phase 1
(Please refer to Administrative Memorandum No. 4266)

Upon a motion by Director Darrell Grooms and a second by Director Jerry Yancey, the Board of Directors voted unanimously to authorize the award of a construction contract to Mega Prime Contractors, Inc., for the Water System Maintenance Facility South Region, Phase 1, Project No. 297, in the amount of $1,557,956.

O. Consider Authorizing Award of Construction Contract on Project No. ENG 14-1, 121 Regional Disposal Facility 10,000 Gallon Above Ground Fuel Storage Tank
(Please refer to Administrative Memorandum No. 4267)

Upon a motion by Director Lynn Shuyler and a second by Director John Sweeden, the Board of Directors voted unanimously to authorize award of a construction contract in the amount of $137,078.77 to United Pump Supply, Inc., for the 121 Regional Disposal Facility 10,000 Gallon Above Ground Fuel Storage Tank, Project No. ENG 14-1.

P. Consider Authorizing Execution of Engineering Services Agreement on Project No. 367, Wylie Water Treatment Plant I and II Sludge Handling Improvements
(Please refer to Administrative Memorandum No. 4268)
Upon a motion by Director Larry Parks and a second by Director John Murphy, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with Alan Plummer Associates, Inc., for design and construction phase services associated with the Wylie Water Treatment Plant I and II Sludge Handling Improvements, Project No. 367, in the not-to-exceed amount of $294,121.

Q. Consider Authorizing Execution of Engineering Services Agreement on Project No. 368, Wylie Water Treatment Plant Power System Improvements Preliminary Engineering
   (Please refer to Administrative Memorandum No. 4269)

   Upon a motion by Director Lynn Shuyler and a second by Director Darrell Grooms, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with Freese and Nichols, Inc., for preliminary engineering for Project No. 368, Wylie Water Treatment Plant Power System Improvements in the not-to-exceed amount of $323,317.

R. Consider Authorizing Execution of Electrical Agreements for Purchase of Electricity for the Term January 1, 2016 through December 31, 2018
   (Please refer to Administrative Memorandum No. 4270)

   Director Lynn Shuyler made a motion, which was seconded by Director Bob Thurmond, to execute the electrical agreements as recommended in Administrative Memorandum No. 4270. After discussion of the item, Director Joe Farmer amended the motion and Director Darrell Grooms seconded, to authorize the Executive Director to execute contracts with electric providers for the purchase of electricity for the term January 1, 2016, through December 31, 2018. The amended motion was unanimously approved.

S. Consider Authorizing Negotiation of Settlement Terms and Authorizing Execution of Settlement Agreements with Bois d'Arc Municipal Utility District with Respect to the Lower Bois d'Arc Creek Reservoir Project
   (Please refer to Administrative Memorandum No. 4271)

   Upon a motion by Director Don Cates and a second by Director Jim Mellody, the Board of Directors voted unanimously to authorize the Board President to completion negotiation of settlement terms and conditions with Bois d'Arc Municipal Utility District and to execute a settlement agreement that will facilitate the timely permitting and development of the Lower Bois d'Arc Creek Reservoir.

VII. DISCUSSION ITEMS

   A. Water Supply Update

   Mike Rickman presented a water supply update.
B. Review of Water Treatment Plant Chemical Systems

The regular session recessed at 5:33 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. The Executive Session was called to order by President Darwin Whiteside at 5:34 p.m.

The Executive Session adjourned at 5:45 p.m.

The Board of Directors reconvened into regular session at 5:46 p.m.

VIII. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 5:47 p.m. The next regular meeting of the NTMWD Board of Directors will be held Thursday, October 23, 2014, at 4:00 p.m. in the NTMWD Administrative Offices, 505 E. Brown Street, Wylie, Texas.

APPROVED:

[Signature]
DARWIN WHITESIDE, President

ATTEST:

TERRY SAM ANDERSON, Secretary