



NORTH TEXAS MUNICIPAL WATER DISTRICT

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MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS NOVEMBER 17, 2016

The North Texas Municipal Water District Board of Directors met in Regular meeting on Thursday, November 17, 2016, at 4:00 p.m. in the NTMWD Administrative Offices located at 501 E. Brown Street, Wylie, Texas. Notice of the meeting was legally posted in accordance with Government Code, Title 551, Open Meetings.

I. CALL TO ORDER

President Terry Sam Anderson called the meeting to order at approximately 4:00 p.m.

II. INVOCATION

Director Bill Lofland offered the invocation.

III. PLEDGE OF ALLEGIANCE

Secretary John Sweeden led the Board of Directors in the Pledge of Allegiance.

IV. PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG

Secretary John Sweeden led the Board of Directors in the Pledge of Allegiance to the Texas Flag.

V. ANNOUNCEMENT OF QUORUM

Secretary John Sweeden announced a quorum was present. Directors Don Cates, Rod Hogan, and Richard Sheehan were absent.

The following Directors were present for the November 17, 2016, Regular Board meeting:

Terry Sam Anderson
Phil Dyer
Joe Farmer
Bill Forbus
Marvin Fuller
Bill Glass

Jack May
Wayne May
Charles McKissick
Jim Melody
John Murphy
Larry Parks

Don Gordon
Joe Joplin
James Kerr
Bill Lofland
Michael Lopez

Richard Peasley
Bobby Robinson
Lynn Shuyler
John Sweeden
Bob Thurmond

The following NTMWD consultants attended the meeting:

Mark Walsh – Saunders, Walsh & Beard
David Medanich – First Southwest Company
Alan Raynor – McCall Parkhurst & Horton

VI. PUBLIC COMMENTS

There were no registered guests to provide public comments.

VII. OPENING REMARKS

- A. Presentations of awards, recognitions, achievements, etc., of the District, Board Members, and staff

There were no presentations.

- B. President's Remarks concerning current events, conduct of meeting, posted agenda items, committee assignments, and related matters

President Anderson expressed Thanksgiving wishes to all in attendance.

- C. Executive Director's Status Report concerning legislation and regulatory matters, budgets, current projects and ongoing programs of the District including the Regional Water System, Regional Wastewater System, Regional Solid Waste System, Watershed Protection, and Water Conservation

Executive Director Tom Kula provided an update on the status of the Working Group meetings to discuss possible amendment to the Water Supply contract. Mr. Kula reported that several options were considered and narrowed down to a Water Banking concept, and that the last few meetings have focused on this option. At the last meeting of the Working Group on Friday, November 11, 2016, 11 of the 13 Member Cities were present and provided feedback on their interest in the Water Banking option. During this meeting, several of the cities expressed their thought that their city could not support the Water Banking option and suggested the Primary Group meet prior to the end of 2016 to report on progress and results of discussions.

VIII. CONSENT AGENDA ITEMS

Upon a motion by Director Phil Dyer and a second by Director Bobby Robinson, the Board of Directors voted unanimously to approve the consent agenda items as follows:

- A. Consider Approval of Board of Directors Regular Meeting Minutes – October 27, 2016
(Please refer to Consent Agenda Item No. 16-11-01)
- B. Consider Approval of Board of Directors Planning Workshop Minutes – October 21, 2016
(Please refer to Consent Agenda Item No. 16-11-02)
- C. Consider Approval of Monthly Construction Report – October 2016
(Please refer to Consent Agenda Item No. 16-11-03)
- D. Consider Authorizing Change Order No. 1 and Ratification of Actions of the Executive Director
(Please refer to Consent Agenda Item No. 16-11-04)
- E. Consider Authorizing Amendment to Construction Manager At-Risk Contract on Project No. 383, Lower Bois d'Arc Creek Reservoir FM 897 Relocation from US 82 to FM 1396, Fannin County Road and Bridge Improvements
(Please refer to Consent Agenda Item No. 16-11-05)
- F. Consider Authorizing Additional Engineering Services on Project No. 343, Wilson Creek Regional Wastewater Treatment Plant Electrical Improvements, Phase I
(Please refer to Consent Agenda Item No. 16-11-06)
- G. Consider Authorizing Additional Engineering Services on Project No. 346, Wilson Creek Regional Wastewater Treatment Plant Advanced Treatment and Headworks Improvements
(Please refer to Consent Agenda Item No. 16-11-07)
- H. Consider Authorizing Additional Engineering Services on Project No. 431, North McKinney Pipeline, Phase III
(Please refer to Consent Agenda Item No. 16-11-08)

IX. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Consider Adoption of Resolution No. 16-49 Authorizing the Issuance, Sale, and Delivery of North Texas Municipal Water District Regional Solid Waste System Disposal System Revenue and Refunding Bonds, Series 2016, Providing for the Redemption Prior to Maturity of the Bonds Being Refunded, Authorizing an Escrow Agreement in Connection with the Bonds Being Refunded, and Approving and Authorizing Instruments and Procedures Relating Thereto
(Please refer to Administrative Memorandum No. 4764)

Upon the recommendation of the Finance/Audit Committee and the Solid Waste Committee, a motion by Director Larry Parks and a second by Director Joe Farmer, the Board of Directors voted unanimously to adopt Resolution No. 16-49 authorizing the issuance, sale, and delivery of North Texas Municipal Water District Regional Solid Waste Disposal System Revenue and Refunding Bonds, Series 2016, in the amount of \$19,050,000, providing for the redemption prior to maturity

of the bonds being refunded, authorizing an escrow agreement in connection with the bonds being refunded, and approving and authorizing instruments and procedures relating thereto. David Medanich of First Southwest Company advised that Citigroup Global Markets, Inc., was the successful bidder at a true interest cost of 2.919981%.

- B. Consider Adoption of Resolution No. 16-50 Approving 2016-2017 Strategic Plan (Please refer to Administrative Memorandum No. 4765)

On a motion by Director James Kerr and a second by Director Joe Farmer, the Board of Directors voted unanimously to adopt Resolution No. 16-50 approving the 2016-2017 Strategic Plan.

Executive Director Tom Kula advised that per previous recommendations by Board members, the mission statement had been updated to include language related to cost efficiencies.

- C. Consider Authorizing Change Order No. 7 on Project No. 354, Wylie Water Treatment Plant Chemical Systems Improvements, Phase IB (Please refer to Administrative Memorandum No. 4766)

Upon a motion by Director James Kerr and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize Change Order No. 7 in the amount of \$155,950 and 30 days of additional contract time on Project No. 354, Wylie Water Treatment Plant Chemical Systems Improvements, Phase IB.

- D. Consider Authorizing Change Order No. 2 on Project No. 354, Wylie Water Treatment Plant Chemical Systems Improvements, Phase 2 (Please refer to Administrative Memorandum No. 4767)

Upon a motion by Director Lynn Shuyler and a second by Director Joe Joplin, the Board of Directors voted unanimously to authorize Change Order No. 2 in the amount of \$16,860 on Project No. 354, Wylie Water Treatment Plant Chemical Systems Improvements. Phase 2.

- E. Consider Authorizing Change Order No. 6 on Project No. 330, Wylie Water Treatment Plant II Clearwell and Disinfection Modifications (Please refer to Administrative Memorandum No. 4768)

Upon a motion by Director Don Gordon and a second by Director Michael Lopez, the Board of Directors voted unanimously to authorize Change Order No. 6 in the amount of \$221,250 and 30 days of additional contract time on Project No. 330, Wylie Water Treatment Plant II Clearwell and Disinfection Modifications.

- F. Consider Authorizing Award of Construction Contract on Project No. 397, Wylie Water Treatment Plant III 4.0 MG Reservoir Roof Improvements (Please refer to Administrative Memorandum No. 4769)

Upon a motion by Director Lynn Shuyler and a second by Director John Murphy, the Board of Directors voted unanimously to authorize award of a construction contract to Archer Western Construction in the amount of \$2,302,000 to Archer Western Construction, LLC, on Project No. 397, Wylie Water Treatment Plant III 4.0 MG Reservoir Roof Repairs.

- G. Consider Authorizing Execution of Tender Agreement with Surety and Contractor on Project No. 297, Water System Maintenance Facilities South Region, Phase 1 (Please refer to Administrative Memorandum No. 4770)

Upon the recommendation of the Water Committee, a motion by Director Bill Lofland, and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize execution of a tender agreement with Hudson Insurance Company (surety for Mega Prime Contractors, Inc.) to complete the balance of unfinished work remaining from original contract with Mega Prime Contractors, Inc. In the agreement, Hudson Insurance Company tenders to NTMWD a completion contractor, JC Commercial, Inc., to complete the unfinished work for a lump sum price of \$1,244,431, along with a cash payment to NTMWD of \$222,690.

- H. Consider Authorizing Additional Engineering Services on Project No. WCF 07-4 (099), Lake Tawakoni Water Treatment Plant Sludge Lagoon Improvements (Please refer to Administrative Memorandum No. 4771)

Upon a motion by Director James Kerr and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize additional inspection services in the amount of \$60,465 on Project No. WCF 07-4 (099), Lake Tawakoni Water Treatment Plant Sludge Lagoon Improvements.

- I. Consider Authorizing Additional Engineering Services and Ratification of Action by Executive Director on Project No. 362, Lower Bois d'Arc Creek Reservoir Preconstruction Electric Utility Work with Fannin County Electric Cooperative (Please refer to Administrative Memorandum No. 4772)

Upon a motion by Director Lynn Shuyler and a second by Director Don Gordon, the Board of Directors voted unanimously to authorize ratification of actions by the Executive Director to authorize additional services for Conflicts Analysis work and legal services in the amount of \$145,349.95 on Project No. 362, Lower Bois d'Arc Creek Reservoir Preconstruction Electric Utility Work with Fannin County Electrical Cooperative.

- J. Consider Authorizing Additional Engineering Services on Project No. 192, Lower Bois d'Arc Creek Reservoir Environmental Impact Statement (Please refer to Administrative Memorandum No. 4773)

Upon a motion by Director Lynn Shuyler and a second by Director Don Gordon, the Board of Directors voted unanimously to authorize additional engineering services with Solv, LLC, in the amount of \$366,147, to Project No. 192, Lower Bois d'Arc Creek Reservoir Environmental Impact Statement.

- K. Consider Authorizing Award of Construction Contract on Project No. 400, South Mesquite Creek Regional Wastewater Treatment Plant, 2015 Supervisory Control and Data Acquisition Improvements
(Please refer to Administrative Memorandum No. 4774)

Upon a motion by Director John Murphy and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to award a construction contract to Prime Controls, LP, in the amount of \$3,154,765 on Project No. 400, South Mesquite Creek Regional Wastewater Treatment Plant 2016 Supervisory Control and Data Acquisition Improvements.

- L. Consider Authorizing Execution of Inspection Services Agreement on Project No. 343, Wilson Creek Regional Wastewater Treatment Plant Electrical Improvements, Phase 1B
(Please refer to Administrative Memorandum No. 4775)

Upon a motion by Director Lynn Shuyler and a second by Director Joe Farmer, the Board of Directors voted unanimously to authorize the Executive Director to execute an inspection services agreement with Mbroh Engineering, Inc., in the amount of \$201,960 on Project No. 343, Wilson Creek Regional Wastewater Treatment Plant Electrical Improvements, Phase 1B.

- M. Consider Authorizing Acceptance of Upper East Fork Interceptor System Evaluation Update, Project No. ENG 15-2, Final Evaluation Report
(Please refer to Administrative Memorandum No. 4776)

Upon the recommendation of the Wastewater Committee, a motion by Director Jack May, and a second by Director Joe Joplin, the Board of Directors voted unanimously to authorize acceptance of the Upper East Fork Interceptor System Evaluation Update, Project No. ENG 15-2, Final Evaluation Report.

- N. Consider Authorizing Execution of Engineering Services Agreement on Project No. 447, Parkway Transfer Station Conversion to Top Load
(Please refer to Administrative Memorandum No. 4777)

Upon the recommendation of the Solid Waste Committee, a motion by Director Joe Farmer 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 Weaver Consultants Group, LLC, in the amount of \$221,500 on Project No. 447, Parkway Transfer Station Conversion to Top Load, Permitting Phase.

- O. Consider Authorizing Land Acquisition and Fencing Program and Adoption of Resolution No. 16-47 Authorizing the Executive Director to Implement Land Acquisition and Fencing Program on Project No. 383, Lower Bois d'Arc Creek Reservoir, FM 897 Relocation from US 82 to FM 1396
(Please refer to Administrative Memorandum No. 4778)

Upon the recommendation of the Water Committee, a motion by Director Bill Lofland, and a second by Director Wayne May, the Board of Directors voted unanimously to adopt Resolution No. 16-47 authorizing the Executive Director to implement a land acquisition program and fencing program on with a budget in the not-to-exceed amount of \$3,570,000 on Project No. 383, Lower Bois d'Arc Creek Reservoir, FM 897 Relocation from US 82 to FM 1396.

- P. Consider Authorizing Funding of Temporary Installation of Filtration Unit on Project No. 398, Sabine Creek Wastewater Treatment Plant Expansion to 3 MGD
(Please refer to Administrative Memorandum No. 4779)

Upon a motion by Director Bill Lofland and a second by Director James Kerr, the Board of Directors voted unanimously to authorize funding in the amount of \$44,661.47 for installation of temporary filtration unit at Sabine Creek Wastewater Treatment Plant, Project No. 398, Sabine Creek Wastewater Treatment Plant Expansion to 3 MGD.

- Q. **TABLED ITEM:** Consider Adoption of Resolution No. 15-31 Approving a Protocol for Conducting Meetings Among the Governing Bodies and Executive Staff of NTMWD's Member Cities to Address Matters of Common Concern to Member Cities
(Please refer to Administrative Memorandum No. 4515-7)

Director Joe Farmer made a motion to take this item from the table. Director Lynn Shuyler seconded the motion, which was unanimously approved by the Board.

President Terry Sam Anderson advised that he plans to appoint a Special Purpose Committee to finalize the draft protocol in early 2017 and recommended the Board table this item until February 2017.

Upon a motion by Director Joe Farmer and a second by Director Jim Mellody, the Board of Directors voted unanimously to table this item until February 2017.

II. DISCUSSION ITEMS

- A. Discuss Amendment Process and Draft Amendment Language to NTMWD's Enabling Act to Allow for Removal of a Director During His or Her Unexpired Term

Executive Director Tom Kula presented this discussion item to the Board and provided background, reminding the Board that the District took up this item in response to concerns raised by the Member Cities in the Member City Meeting held in December 2015. Upon the Board's review at a separate workshop in January 2016, the Board adopted Resolution No. 16-03 at its regular January 2016 Board meeting which authorized District representatives to initiate and support legislation during the 2017 Legislative Session to amend the Enabling Act to allow for the removal of a Director during his or her unexpired term through action of the appointing Member City Council and to seek the concurrence of the Member Cities on the language of such legislation.

Mr. Kula described his plan to send a draft of the proposed legislation to the Member Cities in the next few days and request confirmation of their continued desire to move forward with this process. He hopes to have this feedback in time for the December 2016 Board meeting.

Board members discussed their concerns regarding the challenges posed by the legislation, including whether the change proposed by the legislation is in the long-term best interests of the District; whether it would be helpful to have additional discussions with Member City officials on the value of the current structure; and the value of the District helping to guide the change, if there is to be one, rather than having it imposed by third parties.

Several members noted that further discussion of the issue at the December Board meeting will be beneficial with the additional information regarding feedback from the Member Cities and updates from the work of the District's government relations team.

C. Opportunity for Board Members to Request Potential Future Agenda Items
(No substantive discussion of items will take place at this time)

There were no future agenda items requested by Board members.

XI. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 5:30 p.m. The next regular meeting of the NTMWD Board of Directors will be held Thursday, December 15, 2016, at 4:00 p.m. at the North Texas Municipal Water District offices at 501 E. Brown Street, Wylie, Texas.

APPROVED:



TERRY SAM ANDERSON, President

ATTEST:



JOHN SWEEDEN, Secretary

(Seal)

