



NTMWD.COM

NORTH TEXAS MUNICIPAL WATER DISTRICT

**501 E. Brown Street • Wylie, Texas 75098
(972) 442-5405 – Phone • (972) 295-6440 – Fax**

MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS OCTOBER 27, 2016

The North Texas Municipal Water District Board of Directors met in Regular meeting on Thursday, October 27, 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 James Kerr 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, Phil Dyer, Rod Hogan, and Michael Lopez were absent.

The following Directors were present for the October 27, 2016, Regular Board meeting:

Terry Sam Anderson
Joe Farmer
Bill Forbus
Marvin Fuller
Bill Glass
Don Gordon

Charles McKissick
Jim Mellody
John Murphy
Larry Parks
Richard Peasley
Bobby Robinson

Joe Joplin
James Kerr
Bill Lofland
Jack May
Wayne May

Richard Sheehan
Lynn Shuyler
John Sweeden
Bob Thurmond

The following NTMWD consultants attended the meeting:

Lewis Isaacks – Gay McCall Isaacks & Roberts
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 Terry Sam Anderson expressed appreciation to the NTMWD staff and Board members for the recent Board Planning Workshop.

President Anderson advised that Director Larry Parks would be abstaining from voting on Agenda Item Nos. VIII. G. and IX. F., and I.

- 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

Joseph Bernosky, Water Treatment Program Manager, presented an update on the Chemical System Improvement Project. This project is an aggressive multi-phase project to improve chemical storage and handling at the Wylie Water Treatment Plant. Phase 1A was completed in February 2016, Phase 1B is scheduled for completion in December 2016, and Phase 2 is scheduled for completion in September 2017. Mr. Bernosky advised that all TCEQ deadlines have been met and all final deadlines are on schedule for completion.

Director Tom Kula advised that winter seasonal watering begins November 1 and permits a maximum landscape watering frequency of one time per week with an irrigation system.

Mr. Kula reminded the Board of the 60th Anniversary of water delivery Open House being held on November 4, 2016.

VIII. CONSENT AGENDA ITEMS

Director Joe Farmer requested Consent Item No. VIII. D. be removed from the Consent Agenda and considered individually.

- D. Consider Authorizing Execution of First Amendment to Deed Restriction Contained in Special Warranty Deed Dated October 2, 2006, for 88.898 Acres Conveyed to the City of Melissa
(Please refer to Consent Agenda Item No. 16-10-04)

Assistant Deputy Director Jeff Mayfield reviewed the request from the City of Melissa to amend the previous deed restriction contained in the Special Warranty Deed for property conveyed to the City of Melissa, which restricted the property to municipal use. The proposed amendment would modify the restriction to other certain uses specifically identified in the agreement such as a wholesale nursery, and require the City of Melissa notify a potential purchaser of the property of the existence of a nearby landfill and compost operation so that the party may investigate the suitability of the property for its' intended use. Lewis Isaacks confirmed the proposed amendment would be a permanent deed restriction limited in perpetuity.

After Board discussion, Director Joe Joplin made the motion to authorize execution of the First Amendment to the Deed Restriction Contained in the Special Warranty Deed dated October 2, 2006, for 88.898 acres conveyed to the City of Melissa. The motion was seconded by Director Jack May and unanimously approved by the Board of Directors.

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

- A. Consider Approval of Board of Directors Regular Meeting Minutes – September 22, 2016
(Please refer to Consent Agenda Item No. 16-10-01)
- B. Consider Approval of Monthly Construction Report – September 2016
(Please refer to Consent Agenda Item No. 16-10-02)
- C. Consider Authorizing Change Order No. 5 on Project No. 252, Stewart Creek West Wastewater Treatment Plant Expansion to 10 MGD
(Please refer to Consent Agenda Item No. 16-10-03)
- E. Consider Authorizing Change Order No. 5 on Project No. 302, Water Treatment Plant II Filter Underdrain Improvements and Conversion to Biologically Active Filters
(Please refer to Consent Agenda Item No. 16-10-05)

- F. Consider Authorizing Additional Engineering Services on Project No. 297, Water System Maintenance Facilities, South Region, Phase 1
(Please refer to Consent Agenda Item No. 16-10-06)
- G. Consider Authorizing Additional Engineering Services on Project No. 321, Expansion of Raw Water Pump Station No. 3 to 620 MGD
(Please refer to Consent Agenda Item No. 16-10-07)
- H. Consider Authorizing Change Order No. 1 on Project No. 304, Royse City No. 1 Tank and Delivery Point Improvements and Project No. 305, Garland No. 4 Delivery Point Improvements
(Please refer to Consent Agenda Item No. 16-10-08)
- I. Consider Authorizing Additional Engineering Services on Project No. 410, Rockwall No. 1 Delivery Point Improvements
(Please refer to Consent Agenda Item No. 16-10-09)
- J. Consider Authorizing Additional Engineering Services on Project No. 395, Custer Road Transfer Station Yard Waste Grind Pad Improvements
(Please refer to Consent Agenda Item No. 16-10-10)
- K. Consider Authorizing Additional Engineering Services on Project No. 372, Lookout Drive Transfer Station Facility Expansion
(Please refer to Consent Agenda Item No. 16-10-11)
- L. Consider Authorizing Additional Legal Services on Project No. 297, Water System Maintenance Facilities, South Region, Phase 1
(Please refer to Consent Agenda Item No. 16-10-12)

IX. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Consider Adoption of Resolution No. 16-44 Authorizing the Issuance, Sale, and Delivery of North Texas Municipal Water District Regional Water System Contract Revenue Refunding and Improvement Bonds, Series 2016, and Approving and Authorizing Instruments and Procedures Relating Thereto
(Please refer to Administrative Memorandum No. 4741)

Upon the recommendation of the Finance/Audit Committee and the Water Committee, a motion by Director Larry Parks, and a second by Director Joe Farmer, the Board of Directors voted unanimously to adopt Resolution No. 16-44 authorizing the issuance, sale, and delivery of North Texas Municipal Water District Regional Water System Contract Revenue Refunding and Improvement Bonds in the amount of \$330,560,000, Series 2016, and approving and authorizing instruments and procedures relating thereto. David Medanich of First Southwest Company advised that Bank of America Merrill Lynch was the successful bidder at 3.277135%.

- B. Consider Authorizing Additional Funding to Retain Consultants to Assist with Possible Amendment to the Regional Water Supply Facilities Amendatory Contract to Address the Contract's Rate Methodology
(Please refer to Administrative Memorandum No. 4742)

Upon a motion by Director Lynn Shuyler and a second by Director Richard Peasley, the Board of Directors voted unanimously to authorize additional funding in an amount not-to-exceed \$60,000 to continue to retain consultants as needed to assist with the possible amendment to the Regional Water Supply Facilities Amendatory Control to address the Contract's rate methodology.

Executive Director Tom Kula advised that the next Member City Working Group meeting was scheduled on October 31, 2016, at 1:00 p.m.

- C. Consider Adoption of Resolution No. 16-45 Approving the NTMWD Investment Policy and Investment Strategy and Authorizing Inclusion of Handgun Policy in Administration and Finance Policies Manual
(Please refer to Administrative Memorandum No. 4743)

Upon the recommendation of the Finance/Audit Committee, a motion by Director Larry Parks, and a second by Director Don Gordon, the Board of Directors voted unanimously to adopt Resolution No. 16-45 approving the NTMWD Investment Policy and Investment Strategy and authorize inclusion of the Handgun Policy in the Administration and Finance Policies Manual.

Deputy Director Judd Sanderson advised that the Investment Policy and Investment Strategy are reviewed annually and that the Handgun Policy was adopted by the Board in May 2016 and is now being included in the Administration and Finance Policies Manual.

- D. Consider Authorizing Execution of Contract Amendments for Construction Manager At-Risk Construction Services, Construction Funding, and Schedule Adjustment on Project No. 387, Wylie Water Treatment Plant IV 70 MGD Expansion to 210 MGD
(Please refer to Administrative Memorandum No. 4744)

Upon a motion by Director James Kerr and a second by Director Don Gordon, the Board of Directors voted unanimously to authorize the Executive Director to execute contract amendments on Project No. 387, Wylie Water Treatment Plant IV, 70 MGD Expansion to 210 MGD as follows: (1) Design Package 1 consisting of equipment procurement, installation and construction packages, materials testing, and Construction Manager At-Risk Construction Services in the amount of \$26,626,662.78; and (2) schedule adjustment on the Water Treatment Plant to reach substantial completion by February 6, 2019, and final completion on April 8, 2019. Deputy Director Joe Stankiewicz reviewed the contract amendments.

- E. Consider Authorizing Execution of Architectural Services Agreement on Project No. 445, Maintenance Facilities Central Region, Phase 1
(Please refer to Administrative Memorandum No. 4745)

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 architectural services agreement with Merriman Anderson Architects, Inc., in the amount of \$798,340 for final architectural design of Project No. 445, Maintenance Facilities Central Region, Phase 1.

- F. Consider Authorizing Execution of Engineering Services Agreement on Project No. 368, Wylie Water Treatment Plant Power System Improvements, Phase I (Please refer to Administrative Memorandum No. 4746)

Upon the recommendation of the Water Committee, a motion by Director Bill Lofland and a second by Director Richard Peasley, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with Freese and Nichols, Inc., in the amount of \$398,000 for engineering design services for new construction and selective refurbishment of the Wylie Water Treatment Plant 138 kilovolt (kV) Substation No. 1 and all 25 kV feeder provisions exiting the substation for plant wide power distribution on Project No. 368, Wylie Water Treatment Plant Power System Improvements, Phase I.

- G. Consider Authorizing Change Order No. 6 on Project No. 354, Wylie Water Treatment Plant Chemical System Improvements, Phase IB (Please refer to Administrative Memorandum No. 4747)

Upon a motion by Director Joe Joplin and a second by Director James Kerr, the Board of Directors voted unanimously to authorize Change Order No. 6 with Pepper Lawson Waterworks, LLC, in the amount of \$296,395 on Project No. 354, Wylie Water Treatment Plant Chemical Systems Improvements, Phase IB.

- H. Consider Authorizing Contract Amendments to the Construction Manager At-Risk Agreement up to the Guaranteed Maximum Price for Material and Equipment Procurement, Installation, and Construction Packages, and Construction Manager At-Risk Construction Services Fees on Project No. 269, Trinity River Main Stem Pump Station and Raw Water Pipeline (Please refer to Administrative Memorandum No. 4748)

Upon the recommendation of the Water Committee, a motion by Director Bill Lofland, and a second by Director James Kerr, the Board of Directors voted unanimously to authorize the Executive Director to execute contract amendments for material and equipment procurement, installation and construction packages, and Construction Manager At-Risk (CMAR) construction services fees to the current CMAR agreement up to the amount of the Guaranteed Maximum Price with Garney Companies, Inc., in the amount of \$102,796,737 on Project No. 269, Trinity River Main Stem Pump Station and Raw Water Pipeline.

- I. Consider Authorizing Execution of Construction Management/Inspection Services Agreement on Project No. 269, Trinity River Main Stem Pump Station and Raw Water Pipeline (Please refer to Administrative Memorandum No. 4749)

Upon a motion by Director James Kerr and a second by Director Bobby Robinson, the Board of Directors voted unanimously to authorize the Executive Director to execute a construction management/inspection services agreement with Freese and Nichols, Inc., in the amount of \$1,435,000 on Project No. 269, Trinity River Main Stem Pump Station and Raw Water Pipeline. Deputy Director Joe Stankiewicz explained the need for outside consultants to perform this work due to the recent loss of engineering staff.

- J. Consider Authorizing Execution of Engineering Services Agreement on Project No. 409, North System Frisco-McKinney Ground Storage Tanks
(Please refer to Administrative Memorandum No. 4750)

Upon a motion by Director John Murphy 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 Kimley-Horn and Associates, Inc., in the amount of \$565,200 on Project No. 409, North System Frisco-McKinney Ground Storage Tanks.

- K. Consider Authorizing Execution of Inspection Services Agreement on Project No. 410, Rockwall No. 1 Delivery Point Improvements
(Please refer to Administrative Memorandum No. 4751)

Upon a motion by Director Bill Lofland and a second by Director Larry Parks, the Board of Directors voted unanimously to authorize the Executive Director to execute an inspection services agreement with Dietz Engineering in the amount of \$218,610 on Project No. 410, Rockwall No. 1 Delivery Point Improvements.

- L. Consider Authorizing Change Order No. 2 and Ratification of Actions by Executive Director on Project No. 357, McCree Road 6 MG Ground Storage Tank
(Please refer to Administrative Memorandum No. 4752)

Upon a motion by Director Don Gordon and a second by Director Wayne May, the Board of Directors voted unanimously to authorize Change Order No. 2 with Red River Construction Company in the amount of \$135,122.62 and authorize ratification of actions by Executive Director on Project No. 357, McCree Road 6 MG Ground Storage Tank.

- M. Consider Authorizing Change Order No. 2 on Project No. 337, Wylie-Rockwall-Farmersville 36/48-Inch Pipeline Improvements, Phase I
(Please refer to Administrative Memorandum No. 4753)

Upon a motion by Director Wayne May and a second by Director Joe Farmer, the Board of Directors voted unanimously to authorize Change Order No. 2 with SJ Louis Construction of Texas, Ltd., in the amount of \$160,000 and 46 days of additional contract time on Project No. 337, Wylie-Rockwall-Farmersville 36/48-inch Pipeline Improvements, Phase I.

In response to a question by one of the Directors regarding the additional contract extension in days, Deputy Director Joe Stankiewicz confirmed that NTMWD staff feels it appropriate to extend the days due to required demobilization.

- N. Consider Authorizing Award of Construction Manager At-Risk Agreement on Project No. 358, Lower Bois d'Arc Creek Reservoir Raw Water Pump Station; Project No. 384, Leonard Water Treatment Plant; and Project No. 428, Leonard Water Treatment Plant High Service Pump Station
(Please refer to Administrative Memorandum No. 4754)

Upon a motion by Director Jim Mellody and a second by Director Don Gordon, the Board of Directors voted unanimously to authorize award of a Construction Manager At-Risk Agreement with Garney Companies, Inc., in the amount of \$2,134,000 for preconstruction services and contract modifications relative to shared savings and retainage provisions on Project No. 358, Lower Bois d'Arc Creek Reservoir Raw Water Pump Station; Project No. 384, Leonard Water Treatment Plant; and Project No. 428, Leonard Water Treatment Plant High Service Pump Station.

Deputy Director Joe Stankiewicz advised that 30% design of these projects had been accomplished, and it is the appropriate time to secure CMAR services to join the design team.

- O. Consider Authorizing Additional 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. 4755)

Upon the recommendation of the Wastewater Committee, a motion by Director Jack May and a second by Director John Murphy, the Board of Directors voted unanimously to authorize additional services to an existing engineering services agreement with CH2M HILL Engineers, Inc., in the amount of \$323,215 on Project No. 328, Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase 1.

- P. Consider Authorizing Execution of Construction Manager At-Risk Agreement for Preconstruction and Procurement Services on Project No. 437, Wilson Creek Regional Wastewater Treatment Plant Expansion to 64 MGD
(Please refer to Administrative Memorandum No. 4756)

Upon the recommendation of the Wastewater Committee, a motion by Director Jack May, and a second by Director Don Gordon, the Board of Directors voted unanimously to authorize a Construction Manager At-Risk Agreement with Sundt Construction, Inc., in the amount of \$376,000 on Project No. 437, Wilson Creek Regional Wastewater Treatment Plant Expansion to 64 MGD. It was the recommendation of a Board member that the use of CMAR services be discussed at the 2017 Spring Planning Workshop.

- Q. Consider Authorizing Additional Engineering Services on Project No. 369, South Mesquite Creek Regional Wastewater Treatment Plant Filter and Ultraviolet (UV) Disinfection Improvements
(Please refer to Administrative Memorandum No. 4757)

Upon a motion by Director Bobby Robinson and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize additional design services to an existing engineering services agreement with Black & Veatch Corporation in the amount of \$97,592 on Project No. 369, South Mesquite Creek Regional Wastewater Treatment Plant Filter and Ultraviolet Disinfection Improvements.

- R. Consider Authorizing Award of Construction Contract on Project No. 343, Wilson Creek Regional Wastewater Treatment Plant Electrical Improvements, Phase 1B
(Please refer to Administrative Memorandum No. 4758)

Upon a motion by Director John Murphy and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize the award of a construction contract with Facility Solutions Group in the amount of \$6,045,500 on Project No. 343, Wilson Creek Regional Wastewater Treatment Plant (WWTP) Electrical Improvements, Phase 1B. Ken Wesson, Sewer System Manager, provided additional explanation on the electrical improvements ongoing at Wilson Creek WWTP.

- S. Consider Adoption of Resolution No. 16-46 Authorizing Land Acquisition Program of Approximately 1,900 Acres for the Lower Bois d'Arc Creek Reservoir Mitigation Property, Project No. 366
(Please refer to Administrative Memorandum No. 4759)

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 authorizing a land acquisition program with a budget in the not-to-exceed amount of \$6,500,000 and adopt Resolution No. 16-46 authorizing the Executive Director to implement the land acquisition program of approximately 1,900 acres for the Lower Bois d'Arc Creek Reservoir Mitigation Property, Project No. 366.

Executive Director Tom Kula advised the Board of an upcoming meeting scheduled on November 1, 2016, with the US Army Corps of Engineers and Environmental Protection Agency in which the mitigation plan will be presented. Board members expressed concern with the location of the land acquisition adjacent to the City of Bonham and expressed their desire to fully communicate the additional land acquisition program with representatives from the City of Bonham and Fannin County.

- T. Consider Authorizing Execution of Multijurisdictional Pretreatment Agreement with the City of Heath
(Please refer to Administrative Memorandum No. 4760)

Upon a motion by Director Bobby Robinson and a second by Director James Kerr, the Board of Directors voted unanimously to authorize the Executive Director to execute the Multijurisdictional Pretreatment Agreement with the City of Heath. Executive Director Tom Kula advised this agreement was necessary at this time due to the CMOM program, even though there were currently no industries regulated under this program in the City of Heath.

- U. Consider Authorizing Execution of Engineering Services Agreement for Contracted Project Management Services on Project Nos. 306, 324, 326, 338, 357, 407, 419, and 427
(Please refer to Administrative Memorandum No. 4761)

Upon a motion by Director John Murphy and a second by Director Wayne May, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with Hazen and Sawyer in the amount of \$325,000 for contracted project management services on the following Projects:

- No. 306, Shiloh Pump Station Improvements
- No. 324, Wallace Street Site Improvements and Ground Storage Tank
- No. 326, Casa View Control Structure Improvements and Ground Storage Tank
- No. 338, Meter Vault Standardization, Phase II Set Point Control
- No. 357, McCree Road 6 MG Ground Storage Tank
- No. 407, McKinney No. 1 to Princeton No. 1, 72-Inch and 24-Inch Pipeline
- No. 419, Casa View Pump Station Electrical and Site Improvements
- No. 427, Kaufman 20-Inch Water Line Assessment

- V. Consider Authorizing Change Order No. 2 on Project No. 388, Chapman Pipeline Repairs at Hunt County Road 4301 and South Sulphur River
(Please refer to Administrative Memorandum No. 4762)

Upon a motion by Director John Shuyler and a second by Director Jack May, the Board of Directors voted unanimously to authorize Change Order No. 2 with Garney Companies, Inc., in the amount of \$605,840 and 104 calendar days of additional contract time and authorize ratification of actions by the Executive Director on Project No. 388, Chapman Pipeline Repairs at Hunt County Road 4301 and South Sulphur River.

- W. Consider Authorizing the Following Action on Project No. 446, East Fork Raw Water Supply Project:

(1) Approve the acquisition of Fee Title to the approximate 2,000 acre East Fork Raw Water Supply Project (Wetlands) near Seagoville, Texas, 254 acres along the perimeter of the Wetlands, and all pipeline easements that cross the Caroline Hunt Trust Estate property for the Trinity River Main Stem Pump Station and Raw Water Pipeline (Main Stem Project), Project No. 269, by approving the Settlement in Principle reached with the Caroline Hunt Trust Estate on October 17, 2016; in the amount of \$17,375,000;

(2) Authorize a budget of \$500,000 for the acquisition of additional land required for the operation of the Wetlands over and above 254 acres and for surveyors, attorneys, and title company by Adopting Resolution No. 16-48; and,

(3) Adopt Resolution No. 16-48 Authorizing the NTMWD Executive Director to Purchase the Property Associated with the NTMWD East Fork Raw Water Supply Project (Wetlands) near Seagoville, Texas, Additional Property Along the Perimeter of the Wetlands Required for its Operation, and Pipeline Easements, Project No. 446.

(Please refer to Administrative Memorandum No. 4763)

Upon the recommendation of the Water Committee, a motion by Director Bill Lofland and a second by Director Joe Farmer, the Board of Directors voted unanimously to authorize the actions listed above in items (1) through (3) associated with the fee title property acquisition of Project No. 446, East Fork Raw Water Supply Project.

Director Bill Lofland and President Terry Sam Anderson expressed appreciation to the Executive Director, mediation team, and Lewis Isaacks for the successful acquisition of this property.

X. DISCUSSION ITEMS


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

Director Joe Farmer requested future agenda item to discuss proposed amendment to the NTMWD's Enabling Act.

XI. ADJOURNMENT


There being no further business, the meeting adjourned at approximately 5:09 p.m. The next regular meeting of the NTMWD Board of Directors will be held Thursday, November 17, 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)

