

NORTH TEXAS MUNICIPAL WATER DISTRICT

EXECUTIVE COMMITTEE MEETING MINUTES MAY 11, 2017

I. CALL TO ORDER

President Terry Sam Anderson called the Executive Committee to order at approximately 11:30 a.m. on Thursday, May 11, 2017, in the NTMWD Administrative offices in Wylie, Texas.

Executive Committee members present included President Terry Sam Anderson, Vice President Bob Thurmond, Secretary John Sweeden, and Past President Joe Joplin. Directors Joe Farmer, John Murphy, and Bill Lofland. Director Charles McKissick attended a portion of the meeting.

Staff present included Tom Kula, Joe Stankiewicz, Judd Sanderson, Mike Rickman, Billy George, Janet Rummel, Shawna Helmberger, and Leann Bumpus. Lewis Isaacks of Gay, McCall, Isaacks & Roberts was present, and James Aldredge and Brad Castleberry of Lloyd Gosselink Rochelle & Townsend participated by conference call during a portion of the Executive Session.

II. ACTION ITEMS

A. Consider Approval of Minutes of Executive Committee Meeting – April 13, 2017

Upon a motion by Director Bob Thurmond and a second by Director John Sweeden, the Executive Committee unanimously approved the minutes of April 13, 2017.

III. DISCUSSION ITEMS

President Terry Sam Anderson advised that the order of the discussion items was being adjusted to allow Items Nos. III. P. and III. Q. to be discussed first.

The regular session recessed at 11:35 a.m.

President Terry Sam Anderson declared a need for an Executive Session of the Executive Committee pursuant to Section 551.071 of the Texas Government Code for Item Nos. III. P. (1-4) and Nos. III. Q. (1-2) to consult with attorneys pursuant to Section 551.071. The Executive Session was called to order by President Terry Sam Anderson at 11:36 p.m.

P. Discuss Status of Member City Contract Matters including:

1. Status of Confidentiality Agreement and Framework for Continued Member Cities Discussions Related to Possible Amendment to Water Supply Contract

2. *Petition of the Cities of Garland, Mesquite, Plano and Richardson Appealing the Decision by North Texas Municipal Water District Affecting Wholesale Water Rates*, Public Utility Commission of Texas, Docket No. 46662
3. *North Texas Municipal Water District v. Public Utility Commission of Texas*, 419th Judicial District Travis County District Court, Cause No. D-1-GN-17-000877
4. *Ex Parte, North Texas Municipal Water District*, 98th Judicial District Travis County District Court, Cause No. D-1-GN-17-000861

Q. Update on Litigation Involving North Texas Municipal Water District/Advice from Legal Counsel, including:

1. Claims against SKW Holdings, Inc., and other responsible parties, Project No. 101-0297-12, Water System Maintenance Facilities, South Region, Phase 1
2. Potential Lawsuit with Hooshang Kordy, et al. v. North Texas Municipal Water District, et al.

The Executive Session adjourned at 1:02 p.m.

The Board of Directors reconvened into regular session at 1:03 p.m. No action was taken during Executive Session.

A. Review May 25, 2017, Work Session Agenda

Executive Director Tom Kula advised that Katharine Hayhoe of Texas Tech University would discuss climate variability at the May 25, 2017, Board Work Session.

B. Review May 25, 2017, Board of Directors Regular Meeting Agenda

Executive Director Tom Kula advised that resolutions recognizing retiring Directors Don Cates and Richard Sheehan as well as the election of officers for 2017-2018 would be included on the May 25, 2017, Board Agenda.

C. Review Agenda for May 2017 Board of Directors Committee Meetings

Executive Director Tom Kula provided a brief review of the upcoming Committee meeting agendas as follows:

1. Nominating Committee - Thursday, May 11, 2017, 1:30 p.m.
 - Consider recommendation on slate of officers for 2017-18 Board of Directors

2. Policy Committee - Wednesday, May 17, 2017, 11:00 a.m.
 - Review of Board Policies Manual
3. Personnel Committee - Wednesday, May 17, 2017, 1:30 p.m.
 - Compensation Study Results
 - NTMWD FY18 Budget Personnel Requests
4. Finance/Audit Committee - Wednesday, May 17, 2017, 3:00 p.m.
 - Retirement Plan
 - Purchasing Process
 - Consultant Selection Process
 - FY18 Budget Update
5. Water Committee – Thursday, May 25, 2017, 1:30 p.m.

Assistant Deputy Director Billy George reviewed the Water Committee agenda as follows:

- Status of Confidentiality Agreement and Framework for Continued Member Cities Discussions Related to Possible Amendment to Water Supply Contract
- Discuss the Draft Fannin County Lower Bois d'Arc Creek (LBCR) Agreement

Mr. George reviewed elements under review by Fannin County on the LBCR agreement with the County. This includes transportation related provisions, other significant items included in the agreement, and payments to County estimated \$1.8 M over 10 years.

D. Water System Update

Staff did not provide a Water System update.

E. Wastewater System Update

Staff did not provide a Wastewater System update.

F. Solid Waste System Update

Staff did not provide a Solid Waste System update.

G. Personnel Update

Staff did not provide a Personnel update.

H. Finance/Budget Update

Staff did not provide a Finance/Budget update.

I. Engineering Update

Staff did not provide an Engineering update.

J. District Policy Update

Staff did not provide a District Policy update.

K. Legislative Update

Executive Director Tom Kula and Deputy Director Mike Rickman provided the following update on recent legislative activities:

- SB 1239 - Senator Van Taylor substituted the previously filed bill related to removal of directors of several municipal water districts with language related to removal of directors of NTMWD. SB 1239 was voted out of the Senate Committee on Agriculture, Water, and Rural Affairs on May 1, 2017, and was approved by the Senate on May 9, 2017.
- HB 623 and HB 4337 - Representative Jeff Leach filed HB 4337 on April 25, 2017, relating to removal of directors of NTMWD. Representative Leach had previously filed HB 623 related to removal of directors of several municipal water districts. Both bills have been referred to Committee, but have not been scheduled in the House.

Executive Director Tom Kula also mentioned that he had been contacted by Representative Justin Holland's office with a request to provide NTMWD's position on HB 4337 and indicated he planned to provide such position as requested on this date.

- HB 641 – Deputy Director Mike Rickman provided testimony on HB 641, relating to the continuation of the Texas Red River Boundary Commission through 2021 to the Senate Committee on Natural Resources and Economic Development on May 2, 2017.

- L. Discuss Upcoming American Water Works Association Conference Highlights

Executive Director Tom Kula discussed highlights of the upcoming American Water Works Association including specific sessions designed for public officials and indicated Directors attending the Conference would have the opportunity to attend those sessions also.

- M. Discuss Draft Agreement with Fannin County related to Lower Bois d'Arc Creek Reservoir

This item was discussed under the Water Committee meeting update noted above.

- N. Discuss Oversight of Lower Bois d'Arc Creek Reservoir Project and Possible Designation of Board of Directors Special Purpose Committee

At the previous suggestion of a Board Member, the Executive Committee discussed possible designation of a Special Purpose Committee related to oversight of the LBCR projects. Committee members indicated items related to LBCR should continue to be considered by the Water Committee and that a Special Purpose Committee related to LBCR was not needed at this time.

- O. Discuss Strategic Approach and Possible Need for Policy on Relations with Member Cities

Director Joe Joplin spoke to his request to consider a District policy on relations with Member Cities and suggested a detailed discussion on this matter be held at a future Board Work Session.

- R. Opportunity for Committee Members to Provide Feedback on Executive Committee Meeting

Feedback from the Committee members included positive comments on the effectiveness of the Executive Committee meetings. President Anderson thanked the staff for their service during his tenure as President.

- S. Opportunity for Committee 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 Committee members.

IV. ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 2:11 p.m. The next meeting of the Executive Committee will be called by the Chairman with proper notification to all members.



TERRY SAM ANDERSON
Chairman

