



## **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 26, 2017**

The North Texas Municipal Water District (NTMWD) Board of Directors met in regular meeting on Thursday, October 26, 2017, 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 Robert Thurmond called the meeting to order at approximately 4:05 p.m.

**II. INVOCATION – DIRECTOR BILL GLASS**

Director Bill Glass offered the invocation.

**III. PLEDGE OF ALLEGIANCE**

President Robert Thurmond led the Pledge of Allegiance.

**IV. PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG**

President Robert Thurmond led the Pledge of Allegiance to the Texas Flag.

**V. ANNOUNCEMENT OF QUORUM**

Secretary Don Gordon announced a quorum was present. Directors David Island, Michael Lopez, and Wayne May were absent.

The following Directors were present for the October 26, 2017, regular meeting:

Terry Sam Anderson	Bill Lofland
Phil Dyer	Jack May
Joe Farmer	Charles McKissick
Marvin Fuller	Jim Melody
Bill Glass	John Murphy
Don Gordon	Larry Parks
Darrell Grooms	David Paschall
David Hollifield	Richard Peasley
Rod Hogan	Lynn Shuyler
Joe Joplin	John Sweeden
James Kerr	Robert Thurmond

The following NTMWD legal and financial consultants attended the meeting:

Lauren Kalisek – Lloyd Gosselink Rochelle & Townsend  
Lewis Isaacks – Gay McCall Isaacks & Roberts  
Alan Raynor – McCall Parkhurst & Horton  
Molly Carson – McCall Parkhurst & Horton  
David Medanich – First Southwest Company

VI. ADMINISTER OATH OF OFFICE

There were no Oaths of Office administered.

VII. PUBLIC COMMENTS

There were no public comments.

VIII. OPENING REMARKS

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

Executive Director Tom Kula, Deputy Director Joe Stankiewicz, and Lewis Isaacks (legal counsel) provided a special recognition of John E. Gay, for decades of service as legal counsel and advisor to the North Texas Municipal Water District.

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

President Robert Thurmond announced that Director Jim Mellody had submitted his resignation effective on this date and thanked him for his service to the District.

President Thurmond noted that action related to Administrative Memorandum No. 5008 would be considered for approval at the November 2017 Board meeting.

President Robert Thurmond advised of the following abstentions:

- Director Rod Hogan would be abstaining from voting on Agenda Item No. X. C.
- Director David Paschall would be abstaining from voting on Agenda Item No. X. F.
- Director Larry Parks would be abstaining from voting on Agenda Item Nos. X. G. and L.
- Director Charles McKissick would be abstaining from voting on Agenda Item No. X. X.

President Thurmond also mentioned the Wings Over the Wetlands event being held at the John Bunker Sands (JBS) Wetland on Saturday, October 28, 2017, and thanked Directors Terry Sam Anderson, Joe Farmer, and Joe Joplin for their service on the JBS Wetland Center Board of Directors.

- 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 a brief update on the following topics:

- Schedule and agenda for 2017 Fall Board Planning Workshop being held on Saturday, October 28, 2017
- Highlights of the Progress Update on the NTMWD Wastewater System Capacity Management Operations and Maintenance (CMOM) Program included in the October 2017 Board memorandum, which resulted in:
  - No entities receiving a consent decree
  - Some entities receiving letters requesting continued commitment to CMOM development under the regional process
  - Other entities received Administrative Orders requiring development of CMOM plans

IX. CONSENT AGENDA ITEMS

Consent Agenda Item IX. A. was pulled from consent and considered individually due to edits in the draft minutes. The edits included additional language clearly noting Directors abstained from voting within the specific item.

- A. Consider Approval of Board of Directors Regular Meeting Minutes – September 28, 2017  
(Please refer to Consent Agenda Item No. 17-10-01)

On a motion by Director Jack May and a second by Director Rod Hogan, the Board of Directors voted unanimously to approve the minutes of the regular meeting held on September 28, 2017, with edits discussed to include additional language noting abstentions from voting within specific items.

- B. Consider Approval of Monthly Construction Report – September 2017  
(Please refer to Consent Agenda Item No. 17-10-02)

Upon a motion by Director James Kerr and a second by Director Darrell Grooms, the Board of Directors voted unanimously to approve the remaining consent agenda item.

X. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Consider Adoption of Resolution No. 17-37 Commending John E. Gay for Service as Legal Counsel and Advisor to North Texas Municipal Water District  
(Please refer to Board Memorandum)

Upon a motion by Director Lynn Shuyler and a second by Director Joe Joplin, the Board of Directors voted unanimously to adopt Resolution No. 17-37

commending John E. Gay for service as legal counsel and advisor to the North Texas Municipal Water District.

- B. Consider Authorizing Additional Legal, Engineering, and Consulting Services Providers for FY 2017-18  
(Please refer to Administrative Memorandum No. 5009)

Upon a motion by Director Lynn Shuyler and a second by Director Darrell Grooms, the Board of Directors voted unanimously to authorize additions to the list previously authorized of legal, engineering, and consulting services providers for FY 2017-18.

Executive Director Tom Kula noted that additional vendors had been added since the original approval in September 2017.

- C. 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 Cost Allocation Methodology  
(Please refer to Administrative Memorandum No. 5010)

Upon a motion by Director Terry Sam Anderson and a second by Director Joe Farmer, the Board of Directors voted unanimously to authorize additional funding in the amount not-to-exceed \$6,000 to continue to retain consultants as needed to assist with possible amendment to the Regional Water Supply Facilities Amendatory Contract to address the Contract's cost allocation methodology. Director Rod Hogan abstained from voting on this item.

- D. Consider Authorizing Additional Funding for Response to Petition Appealing Wholesale Water Rates Filed by Cities of Garland, Mesquite, Plano, and Richardson before the Public Utility Commission of Texas  
(Please refer to Administrative Memorandum No. 5011)

Upon a motion by Director Lynn Shuyler and second by Director David Paschall, the Board of Directors voted unanimously to authorize additional funding in the amount of \$480,000 for legal services related to the response activities to the petition appealing wholesale water rates filed by the City of Garland, Mesquite, Plano, and Richardson before the Public Utility Commission of Texas.

Upon a Board member question, Mr. Kula and Judd Sanderson confirmed that the \$480,000 covers \$56,000 that has been incurred to date over the authorized amount and results in a total not-to-exceed amount of \$800,000, which should cover expenses through the end of 2017. Board members suggested continuing to keep all informed of the ongoing cost of this litigation.

- E. Consider Authorizing Additional Funding for Pursuit of Legal Remedies and Other Legal Actions Related to Petition Appealing Wholesale Water Rates Filed by the Cities of Garland, Mesquite, Plano, and Richardson before the Public Utility Commission of Texas  
(Please refer to Administrative Memorandum No. 5012)

Upon a motion by Director Lynn Shuyler and a second by Director Terry Sam Anderson, the Board of Directors voted unanimously to authorize additional funding in the amount of \$35,000 to complete the pursuit of legal remedies and other legal actions related to the petition appealing wholesale water rates filed by the Cities of Garland, Mesquite, Plano, and Richardson before the Public Utility Commission of Texas.

- F. Consider Authorizing Execution of Inspection Services Agreement on Project No. 101-0368-14, Wylie Water Treatment Plant Power System Improvements, Phase I  
(Please refer to Administrative Memorandum No. 5013)

Upon a motion by Director Lynn Shuyler and a second by Director James Kerr, the Board of Directors voted unanimously to authorize execution of an inspection services agreement with Mbroh Engineering, Inc., in the amount of \$171,000 on Project No. 101-0368-14, Wylie Water Treatment Plant Power System Improvements, Phase I. Director David Paschall abstained from voting on this item.

- G. Consider Authorizing Execution of Engineering Services Agreement on Project No. 101-0368-14, Wylie Water Treatment Plant Power System Improvements, Phase II  
(Please refer to Administrative Memorandum No. 5014)

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., in the amount of \$517,400 for final engineering design on Project No. 101-0368-14, Wylie Water Treatment Plant Power System Improvements, Phase II. Director Larry Parks abstained from voting on this item.

- H. Consider Authorizing Execution of Engineering Services Agreement on Project No. 101-0485-17, Wylie Water Treatment Plant Chlorine Systems Improvements  
(Please refer to Administrative Memorandum No. 5015)

Upon the recommendation of the Water Committee, a motion by Director Bill Lofland and a second by Director Darrell Grooms, the Board of Directors voted unanimously to authorize execution of an engineering services agreement with HDR, Inc., in the amount of \$924,842 for final engineering design on Project No. 101-0485-17, Wylie Water Treatment Plant Chlorine System Improvements.

- I. Consider Authorizing Change Order No. 2 on Project No. 101-0397-15, Wylie Water Treatment Plant III 4.0 MG Reservoir Roof Improvements  
(Please refer to Administrative Memorandum No. 5016)

Upon a motion by Director Lynn Shuyler and a second by Director David Paschall, the Board of Directors voted unanimously to authorize Change Order No. 2 in the amount of (\$1,991,200) and an additional 30 days of contract time

to Archer Western Construction, LLC, on Project No. 101-0397-15, Wylie Water Treatment Plant III 4.0 MG Reservoir Roof Improvements.

Mr. Kula provided additional explanation regarding the need for this change order due to unforeseen conditions of the reservoir roof, which has resulted in the need to repackage this work under a separate project after evaluation of the roof slab is complete.

- J. Consider Authorizing Execution of Legal Services Agreement on Project No. 101-0363-14, High Service Pump Station 1-1 Mechanical Improvements (Please refer to Administrative Memorandum No. 5017)

Upon a motion by Director Lynn Shuyler and a second by Director David Paschall, the Board of Directors voted unanimously to authorize the Executive Director to execute a legal services agreement with Saunders, Walsh & Beard in the amount of \$7,500 on Project No. 101-0363-14, High Service Pump Station 1-1 Mechanical Improvements.

Mr. Kula provided additional explanation on the need for legal services to work with the contractor, and advised the estimated completion of this work is spring of 2018.

- K. Consider Authorizing Execution of Discretionary Service Agreement to Provide Medium-Voltage Power on Project No. 101-0128-08, Lake Texoma Pump Station Modifications (Please refer to Administrative Memorandum No. 5018)

Upon a motion by Director Joe Joplin and a second by Director Larry Parks, the Board of Directors voted unanimously to authorize the Executive Director to execute a discretionary service agreement with ONCOR Electric Delivery Company, LLC, in the amount of \$33,417.95 to provide medium-voltage power on Project No. 101-0128-08, Lake Texoma Pump Station Modifications.

- L. Consider Authorizing Execution of Engineering Services Agreement on Project No. 101-0442-16, North System Air Valve Improvements (Please refer to Administrative Memorandum No. 5019)

Upon a motion by Director Rod Hogan and a second by Director Joe Farmer, the Board of Directors voted to authorize the Executive Director to execute an engineering services agreement with Freese and Nichols, Inc., in the amount of \$799,850 for final engineering design on Project No. 101-0442-16, North System Air Valve Improvements. Director Larry Parks abstained from voting on this item.

In response to a Board member question, Mr. Kula advised that the NTMWD staff will provide additional information regarding an update on the process of securing engineering services agreements and associated fees in the near future to the Board of Directors.

- M. Consider Authorizing Award of Construction Contract on Project No. 101-0409-15, North System Frisco-McKinney Ground Storage Tanks  
(Please refer to Administrative Memorandum No. 5020)

Upon a motion by Director Lynn Shuylar and a second by Director Darrell Grooms, the Board of Directors voted unanimously to authorize award of a construction contract to Crescent Constructors, Inc., in the amount of \$8,173,000 on Project No. 101-0409-15, North System Frisco-McKinney Ground Storage Tanks.

Mr. Kula highlighted NTMWD's ongoing efforts to install and improve above ground storage tanks and pointed out the specific location in McKinney.

- N. Consider Authorizing Additional Engineering Services on Project No. 101-0340-13, Plano No. 2 Delivery Point Metering Station Upgrade  
(Please refer to Administrative Memorandum No. 5021)

Upon a motion by Director Darrell Grooms and a second by Director Joe Farmer, the Board of Directors voted unanimously to authorize additional engineering services with Birkhoff, Hendricks & Carter, LLP, in the amount of \$36,000 on Project No. 101-0340-13, Plano No. 2 Delivery Point Metering Station Upgrade.

- O. Consider Authorizing Award of Construction Contract on Project No. 101-0487-17, Lake Chapman 84-Inch Raw Water Pipeline Easements Clearing and Maintenance  
(Please refer to Administrative Memorandum No. 5022)

Upon a recommendation of the Water Committee, a motion by Director Bill Lofland and a second by Director Darrell Grooms, the Board of Directors voted unanimously to authorize award of a construction contract to Boeuf Built, LLC, in the amount of \$391,263 on Project No. 101-0487-17, Lake Chapman 84-Inch Raw Water Pipeline Easements Clearing and Maintenance.

- P. Consider Authorizing Additional Engineering Services on Project No. 501-0460-17, Regional Capacity Assessment and Assurance Study  
(Please refer to Administrative Memorandum No. 5023)

Upon a recommendation of the Wastewater Committee, a motion by Director Jack May 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 CH2M HILL Engineers in the amount of \$3,032,261 for planning Phase 1B and Phase 2 services on Project No. 501-0460-17, Regional Capacity Assessment and Assurance Study.

- Q. Consider Authorizing Execution of Engineering Services Agreement on Project No. 310-0450-17, Muddy Creek Wastewater Treatment Plant Aeration Basin, Odor Control and Backup Power Improvements  
(Please refer to Administrative Memorandum No. 5024)

Upon a motion by Director Marvin Fuller and a second by Director Jack May, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with Gupta and Associates, Inc., in the amount of \$521,185 for final engineering design on Project No. 310-0450-17, Muddy Creek Wastewater Treatment Plant Aeration Basin, Odor Control and Backup Power Improvements.

Assistant Deputy Director Cesar Baptista reviewed the project's purpose and components.

- R. Consider Authorizing Change Order No. 9 and Reduction of Retainage on Project No. 501-0303-12, Richardson Spring Creek Lift Station Improvements (Please refer to Administrative Memorandum No. 5025)

Upon a motion by Director Lynn Shuyler and a second by Director David Paschall, the Board of Directors voted unanimously to authorize Change Order No. 9 with Red River Construction Company in the amount of (\$19,661.38), a reduction in retainage of \$128,150.91, and an additional 212 days of contract time.

Upon a Board member question, Mr. Kula confirmed a portion of the retainage will continue to be held for work that remains to be completed.

- S. Consider Authorizing Execution of Inspection Services Agreement on Project No. 301-0437-16, Wilson Creek Regional Wastewater Treatment Plant Expansion to 64 MGD (Please refer to Administrative Memorandum No. 5026)

Upon a motion by Director Darrell Grooms and a second by Director James Kerr, the Board of Directors voted unanimously to authorize the Executive Director to execute an inspection services agreement with Dietz Engineering in the amount of \$263,025 on Project No. 301-0437-16, Wilson Creek Regional Wastewater Treatment Plant Expansion to 64 MGD.

- T. Consider Authorizing Execution of Professional Services Agreement for Quality Assurance – Construction Materials Testing on Project No. 301-0437-16, Wilson Creek Regional Wastewater Treatment Plant Expansion to 64 MGD (Please refer to Administrative Memorandum No. 5027)

Upon a motion by Director John Murphy and a second by Director Darrell Grooms, the Board of Directors voted unanimously to authorize the Executive Director to execute a professional services agreement with Alliance Geotechnical Group, Inc., in the amount of \$97,580 for quality assurance – construction materials testing on Project No. 301-0437-16, Wilson Creek Regional Wastewater Treatment Plant Expansion to 64 MGD.

- U. Consider Authorizing Execution of Engineering Services Agreement on Project No. 507-0484-17, Buffalo Creek Parallel Interceptor, Phase I (Please refer to Administrative Memorandum No. 5028)



Upon a motion by Director Larry Parks 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 Huitt-Zollars, Inc., in the amount of \$1,345,990 for final engineering design on Project No. 507-0484-17, Buffalo Creek Parallel Interceptor, Phase I.

Assistant Deputy Director R. J. Muraski reviewed the project's purpose and components.

- V. Consider Authorizing Additional Inspection Services on Project No. 301-0346-13, Wilson Creek Regional Wastewater Treatment Plant Advanced Treatment and Headworks Improvements  
(Please refer to Administrative Memorandum No. 5029)

Upon a motion by Director Lynn Shuyler and a second by Director Joe Joplin, the Board of Directors voted unanimously to authorize additional inspection services with Dietz Engineering in the amount of \$251,265 on Project No. 301-0346-13, Wilson Creek Regional Wastewater Treatment Plant Advanced Treatment and Headworks Improvements.

- W. Consider Authorizing Execution of Amendment to Existing Easement on Kaufman Water Supply Pipeline, Project No. 101-0483-17  
(Please refer to Administrative Memorandum No. 5030)

Upon a motion by Director Lynn Shuyler and a second by Director Terry Sam Anderson, the Board of Directors voted unanimously to authorize the Executive Director to execute an amendment to a 20-foot existing easement for the Kaufman Water Supply Pipeline with Mike Adams in the not-to-exceed amount of \$55,000 on Project No. 101-0483-17, Kaufman Water Supply Pipeline, Easement at Aimee and Broad Street, Forney, Texas.

Deputy Director Mike Rickman and Lewis Isaacks, legal counsel, briefly reviewed the pipeline that was completed in 1974 and is located outside of the recorded easement.

- X. Consider Adoption of Resolution No. 17-39 Authorizing Purchase of Approximately 221 Acres in Vicinity of 121 Regional Disposal Facility, Project No. 401-0486-17  
(Please refer to Administrative Memorandum No. 5031)

Upon the recommendation of the Solid Waste Committee, a motion by Director Joe Farmer and a second by Director Darrell Grooms, the Board of Directors voted unanimously to adopt Resolution No. 17-39 authorizing the Executive Director to purchase approximately 221.371 acres of property in the vicinity of the 121 Regional Disposal Facility, Project No. 401-0486-17. Director Charles McKissick abstained from voting on this item.

XI. DISCUSSION ITEMS

A. Discuss Status of Member City Contract Matters including:

1. *Petition of the Cities of Garland, Mesquite, Plano and Richardson Appealing Wholesale Water Rates Implemented by North Texas Municipal Water District, Docket No. 46662 before the Public Utility Commission of Texas*
2. Facilitation with Member Cities Regarding Alternate Cost Methodologies to the Amendatory Water Supply Contract

President Robert Thurmond advised there were no updates to report on the Member City contract matters.

B. Update on Property Acquisition Program for Proposed Water Resource Recovery Facility Site, Project No. 301-0426-16

President Robert Thurmond advised there were no updates to report at this time and that the property acquisition program for the proposed Water Resource Recovery Facility Site will be discussed at the October 28, 2017, Board Workshop.

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


Director Phil Dyer requested a future agenda item to review the engineering services agreements process.

Director Joe Farmer requested Director Dyer's requested agenda item provide a broad review including the vendor list.


XII. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 5:29 p.m. The next regular meeting of the NTMWD Board of Directors will be held Thursday, November 16, 2017, at 4:00 p.m. at the North Texas Municipal Water District offices at 501 E. Brown Street, Wylie, Texas.

APPROVED:

  
ROBERT THURMOND, President

ATTEST:

  
DON GORDON, Secretary

(Seal)

