

NORTH TEXAS MUNICIPAL WATER DISTRICT

WATER COMMITTEE MEETING MINUTES JANUARY 25, 2018

I. CALL TO ORDER

Chairman Bill Lofland called the meeting of the NTMWD Water Committee to order at approximately 12:00 p.m. on Thursday, January 25, 2018, at the NTMWD Administrative Offices, Wylie, Texas.

Members present included Chairman Bill Lofland, Directors Phil Dyer, Marvin Fuller, Joe Joplin, and Lynn Shuyler. Director David Paschall was absent. A quorum of the Water Committee was present.

President Robert Thurmond, Vice President John Sweeden, Secretary Don Gordon, Past President Terry Sam Anderson, Directors Joe Farmer, Bill Glass, David Hollifield, James Kerr, Jack May, Wayne May, Charles McKissick, John Murphy, Larry Parks, and Richard Peasley were also present.

NTMWD staff present included Tom Kula, Joe Stankiewicz, Jennifer Flippo, Melisa Fuller, Billy George, Shawna Helmberger, Kassi Jones, Steve Long, R.J. Muraski, Jeff Ray, Janet Rummel, and Leann Bumpus.

Mark Walsh with Saunders, Walsh & Beard, Lewis Isaacks with Gay McCall Isaacks & Roberts, Lauren Kalisek and Sara Thornton with Lloyd Gosselink Rochelle & Townsend, Tom Gooch and Jeff Payne with Freese and Nichols, Inc., and Jean Shuyler were also present.

II. OPENING REMARKS

- A. Executive Director Status Report concerning legislation and regulatory matters, budgets, current projects and ongoing programs of the District including the Regional Water System, Watershed Protection, and Water Conservation

Assistant Deputy Director Billy George stated that the annual chlorine maintenance will take place from February 26, 2018, through March 26, 2018. He explained that piping systems using chloramines for residual disinfection develop a biofilm that feeds on ammonia required to produce chloramines. During the annual chlorine maintenance period, NTMWD temporarily stops adding ammonia and relies on chlorine only for residual disinfection. The result is that the quantity of biofilm is reduced. He stated that Members and Customers were notified of the annual maintenance period by email on January 24, 2018, and during the regular Partnering Meeting on January 17, 2018.

Mr. George stated that the Parker City Council adopted a water conservation implementation plan on January 17, 2018, meeting NTMWD's requirement to move forward with the City's request for a second delivery point. He stated that the Committee was briefed on City of Parker's request for a second delivery point during the October 2017 Water Committee Meeting.

Mr. George informed the Committee that the required 5-year update to the NTMWD's Model Water Conservation Plans and Water Resource Emergency Management Plan is underway. He stated that the first coordination meeting with Members is scheduled for Friday, January 26, 2018. The update process will continue throughout the year and staff will seek Board approval once it is complete. NTMWD's plan must be updated prior to Member Cities and Customers updating their plans.

Chairman Bill Lofland rearranged the agenda to review Discussion Item IV. A. at this point.

Executive Director Tom Kula provided an update on the status of the Lower Bois d'Arc Creek Reservoir Clean Water Act Section 404 Permit (404 Permit). He stated that February 1, 2018, is the tentative date to hold a special Board meeting for the Board to consider authorizing the signing of the Initial Proffered Permit. He said the United States Army Corps of Engineers (USACE) provided the Record of Decision (ROD) to the Environmental Protection Agency (EPA) on Friday, January 19, 2018. He indicated the EPA has 15 days to review the document and is hopeful to hear back from the EPA before the Board meeting. Mr. Kula also explained the permit approval process that takes place after NTMWD receives the permit.

In response to a question from a Committee member about the public review period, Sara Thornton explained the process in more detail. She stated the District will comply with any special conditions and move forward as soon as possible. She said that legal counsel and staff continue to actively pursue legislation that would minimize legal challenges to the permit.

Billy George introduced Jennifer Flippo who was recently selected to be the Lower Bois d'Arc Creek Reservoir Lake Manager.

III. ACTION ITEMS

A. Approval of Water Committee Meeting Minutes – December 21, 2017

Upon a motion by Director Phil Dyer and a second by Director Lynn Shuyler, the Water Committee voted unanimously to approve the minutes of the Water Committee meeting held on December 21, 2017.

B. Consider Recommendation on Authorizing Additional Engineering Services on Project No. 101-0269-11, Trinity River Main Stem Pump Station and Raw Water Pipeline (Please refer to Administrative Memorandum No. 5079)

Assistant Deputy Director Billy George indicated Freese and Nichols, Inc., (FNI) has provided the technical support for the District and that FNI was engaged to complete a Raw Water Supply Operations Study in 2008, which encompassed the 2008-2013 timeframe. He stated the purpose of this item is to request an amendment to the Main Stem Pump Station (MSPS) contract for the development of a new operations plan due to addition of the Main Stem raw water. In order to provide a current raw water operations plan, it will include other changes to

NTMWD's raw water system since 2008. He highlighted several significant changes including experience accessing Upper Sabine River Basin water supplies, operational performance of the East Fork Water Reuse Project, startup of the Tawakoni Water Treatment Plant, completion of the Texoma Outfall to Wylie Water Treatment Plant pipeline, and the MSPS project. He reviewed the primary goals of the operations plan, which are to develop operational policies until the Lower Bois d'Arc Creek Reservoir is online and to provide guidance on optimal system operations under different scenarios. He highlighted project scope components and the budget, stating that fees will be invoiced and paid for the amount of effort spent on the project, not on a lump-sum basis. Mr. George pointed out that the FNI project lead, Tom Gooch, was present to assist with questions from the Committee.

In response to a question from a Committee Member, Mr. George indicated he believes this item is a priority and that optimizing raw water system operations has the ability to save significant power costs.

Upon a motion by Director Lynn Shuyler and a second by Director Joe Joplin, the Water Committee voted unanimously to recommend to the Board of Directors authorizing additional engineering services with Freese and Nichols, Inc., in the amount of \$380,000 on Project No. 101-0269-11, Trinity River Main Stem Pump Station and Raw Water Pipeline.

- C. Consider Recommendation on Authorizing Transfer of Funds to the City of Forney on Project No. 101-0492-18, Forney No. 2 Delivery Point Supervisory Control and Data Acquisition Improvements
(Please refer to Administrative Memorandum No. 5080)

Assistant Deputy Director R.J. Muraski provided background on the request for supervisory control and data acquisition (SCADA) improvements at the Forney Delivery Point No. 2. He pointed out that NTMWD staff has been working with the City of Forney and that the City is willing to construct NTMWD SCADA improvements at the delivery point to enhance operational reliability and pointed out that partnering with Forney on the project was an efficient approach to project delivery. The City included NTMWD's SCADA improvements as a separate bid item on their construction contract and awarded the contract contingent upon approval from NTMWD. He explained that it is beneficial in this instance to install SCADA under a single contractor instead of having multiple contracts.

Mr. Muraski indicated that in the future, staff will approach the Board before including NTMWD project components in city contracts. He indicated the request is for approval to transfer funds to the City of Forney to cover the SCADA improvements at Forney Delivery Point No. 2.

Upon a motion by Director Joe Joplin and a second by Director Phil Dyer, the Water Committee voted unanimously to recommend to the Board of Directors authorizing the transfer of funds to the City of Forney in the amount of \$175,360 on Project No. 101-0492-18, Forney No. 2 Delivery Point Supervisory Control and Data Acquisition Improvements.

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- D. Consider Recommendation on Authorizing Termination of Construction Manager At-Risk Services Agreement with Archer Western Construction, LLC on Project No. 101-0366-14, Lower Bois d'Arc Creek Reservoir Mitigation Property (Please refer to Administrative Memorandum No. 5082)

Jeff Payne with Freese and Nichols, Inc. reviewed the history of the project and the process that lead to the current request to terminate the Construction Manager At-Risk (CMAR) project delivery mechanism and to pursue a performance-based alternative. He provided a review of past progress and challenges stating that risk management in a mitigation project like Riverby Ranch and the Upper Mitigation Site is critical for project success. Mr. Payne indicated that the current CMAR, Archer Western, is supportive of transitioning to a different project delivery vehicle.

Deputy Director Joe Stankiewicz emphasized that the biggest challenge for NTMWD is the allocation of risk. He said warranty compliance for this project is outside of the norm of Archer Western's expertise.

Mr. Payne indicated the NTMWD has received attention from several full service mitigation project providers who were not interested in bidding at the outset of the CMAR process, but who are now because issuance of the 404 Permit is imminent. He said these firms do this type of work frequently and assume the risk of meeting USACE requirements after construction is complete. He recommended terminating the contract with Archer Western and moving toward sealed bids.

In response to a question from a Committee member, Mr. Payne explained that adaptive management is often implemented when mitigation projects do not perform as planned and will be implemented if needed for LBCR. Steve Long indicated staff has gained valuable knowledge through the CMAR project to date and sees a huge benefit from this CMAR experience. Mr. Long provided an overview and update of authorized CMAR activities to date.

Upon a motion by Director Phil Dyer and a second by Director Lynn Shuyler, the Water Committee voted unanimously to recommend to the Board of Directors authorizing termination of the Construction Manager At-Risk Services Agreement on Project No. 101-0366-14, Lower Bois d'Arc Creek Reservoir Mitigation Property.

- E. Consider Recommendation on Adoption of Resolution No. 18-03 Authorizing Use of Competitive Sealed Proposal Procurement Method under Texas Government Code, Chapter 2269, for Lower Bois d'Arc Creek Reservoir Mitigation Property, Project No. 101-0366-14 (Please refer to Administrative Memorandum No. 5083)

Mark Walsh with Saunders, Walsh & Beard explained the Competitive Sealed Proposal (CSP) method allowable under Texas Government Code, Chapter 2269. He stated the District has utilized the method before. He provided an overview of the contractor evaluation process under the CSP delivery method indicating that contractors are evaluated on more than price. He stated that a contract negotiated after the CSP process will be performance based. He indicated that contract payment will be based on achieving project milestones.

Upon a motion by Director Joe Joplin and a second by Director Phil Dyer, the Water Committee voted unanimously to recommend to the Board of Directors adoption of Resolution No. 18-03 authorizing use of competitive sealed proposal procurement method under Texas Government Code, Chapter 2269, for Lower Bois d'Arc Creek Reservoir Mitigation Property, Project No. 101-0366-14.

- F. Consider Recommendation on Authorizing Execution of Legal Services Agreement on Project No. ENG 18-1, Joint Use Agreement with Texas Department of Transportation for Farm-to-Market 3549 Road Improvements (Please refer to Administrative Memorandum No. 5090)

The regular session recessed at 1:01 p.m.

Chairman Bill Lofland declared the need for an Executive Session of the Water Committee to consult with attorneys on agenda item "III. F." pursuant to Section 551.071 of the Texas Government Code. The Executive Session was called to order by Chairman Bill Lofland at 1:01 p.m.

The Executive Session adjourned at 1:10 p.m.

The Water Committee reconvened into regular session at 1:10 p.m. No action was taken in Executive Session.

Upon a motion by Director Lynn Shuyler and a second by Director Phil Dyer, the Water Committee voted unanimously to recommend to the Board of Directors authorizing execution of a Legal Services Agreement on Project No. ENG 18-1, Joint Use Agreement with Texas Department of Transportation for Farm-to-Market 3549 Road Improvements.

IV. DISCUSSION ITEMS

- A. Lower Bois d'Arc Creek Reservoir Update

Director Larry Parks suggested hosting a Lower Bois d'Arc Creek Reservoir event in Bonham at the Sam Rayburn House Museum. Tom Kula indicated staff is considering a groundbreaking ceremony in late May or early June and that plans will be finalized once the permit is received. He stated the Record of Decision was delivered to the Environmental Protection Agency on Friday, January 19, 2018, and that they have 15 days to review.

- B. Opportunity for Committee Members to Provide Feedback on Water Committee Meeting

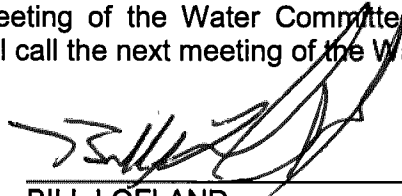
There were no comments provided by Committee members.

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

Director Fuller expressed a desire to discuss the LBCR naming process and potential candidates at a future meeting.

V. ADJOURNMENT

There being no further business, the meeting of the Water Committee adjourned at approximately 1:14 p.m. The Chairman will call the next meeting of the Water Committee with proper notification to all members.



BILL LOFLAND
Chairman