



## 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 JANUARY 25, 2018

The North Texas Municipal Water District (NTMWD) Board of Directors met in regular meeting on Thursday, January 25, 2018, 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 4:00 p.m.

II. INVOCATION – Director Jack May

Director Jack May 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 absent are noted below:

1	Anderson, Terry Sam	
2	Dyer, Phil	
3	Farmer, Joe	
4	Fuller, Marvin	
5	Glass, Bill	
6	Gordon, Don	
7	Grooms, Darrell	
8	Hogan, Rod	
9	Hollifield, David	
10	Island, David	Absent
11	Joplin, Joe	
12	Kerr, James	
13	Lofland, Bill	

14	May, Jack	
15	May, Wayne	
16	McKissick, Charles	
17	Murphy, John	
18	Parks, Larry	
19	Paschall, David	Absent
20	Peasley, Richard	
21	Shuyler, Lynn	
22	Sweeden, John	
23	Thurmond, Robert	
24	Vacant (Forney Director)	
25	Vacant (Royse City Director)	

The following NTMWD legal and financial consultants attended the meeting:

Lewis Isaacks – Gay McCall Isaacks & Roberts  
Lauren Kalisek – Lloyd Gosselink Rochelle & Townsend  
Sara Thornton – Lloyd Gosselink Rochelle & Townsend  
Alan Raynor – McCall Parkhurst & Horton  
David Medanich – First Southwest Company  
Nick Bulaich – First Southwest Company  
Mark Walsh – Saunders Walsh & Beard

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 introduced the Employee the Year finalists:

- Adam Bowman – Shift Supervisor, Wylie Water Treatment Plant
- Eddy Maupin – Transport Driver, Mesquite Regional Wastewater Treatment Plant
- David Matthews – Transfer Station Foreman, Parkway Transfer Station
- Vanessa Huynh – Records Specialist, Records Department

Mr. Kula congratulated Adam Bowman for being chosen as the 2017 Carl W. Riehn Employee of the Year.

Mr. Kula introduced Nate Hargrow – Wastewater Plant Operator III, Muddy Creek Regional Wastewater Treatment Plant, who is retiring from NTMWD after 40 years of service.

Deputy Director Joe Stankiewicz recognized Nate's service to NTMWD and advised that Nate began work as a truck driver at Rowlett Creek Regional Wastewater Treatment Plant. He noted that Nate was awarded the Outstanding Professional Award as well as Meritorious Award by Texas Water Utilities Association and was named the 2009 Carl W. Riehn Employee of the Year at NTMWD. He recognized Nate's outstanding attendance record and noted he had over 3,500 hours of sick leave accumulated upon retirement. Mr. Stankiewicz said he was proud to have Nate as a friend and the District should be proud to have Nate as an employee for the last 40 years. Mr. Hargrow thanked the NTMWD staff and Board of Directors for the recognition.

Mr. Stankiewicz also recognized NTMWD's new Energy Manager, Scott Puckett, noting that Mr. Puckett had already made an impact at NTMWD with the execution of an electrical contract through 2023 at historically favorable rates.

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

President Robert Thurmond offered condolences to Director David Paschall's family due to the loss of his father.

President Thurmond advised that Director Larry Parks would be abstaining from voting on Agenda Item No. IX. 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

Mr. Kula advised that an update will be provided on the Lower Bois d'Arc Creek Reservoir project during the discussion portion of the meeting. He mentioned the Special Board meeting to consider the Clean Water Act Section 404 Permit may need to be moved to February 12, 2018, due to the 15 days of review by the US EPA.

Mr. Kula advised the Board of upcoming changes in the employee insurance program and that NTMWD would be changing to Blue Cross Blue Shield health insurance effective March 1, 2018, which will result in approximately 10% increase to NTMWD and employees. Also, he noted that optional employee coverage will be provided by Metlife.

Mr. Kula also mentioned the upcoming Ribbon Cutting event to be held at the Lookout Drive Transfer Station on Wednesday, February 14, 2018.

IX. CONSENT AGENDA ITEMS

Upon a motion by Director Rod Hogan and a second by Director Jack May, the Board of Directors unanimously approved the consent agenda items as follows:

- A. Consider Approval of Board of Directors Regular Meeting Minutes – December 21, 2017  
(Please refer to Consent Agenda Item No. 18-01-01)
- B. Consider Approval of Board of Directors Special Meeting Minutes – December 21, 2017  
(Please refer to Consent Agenda Item No. 18-01-02)
- C. Consider Approval of Correction to Special Meeting Minutes – November 29, 2017  
(Please refer to Consent Agenda Item No. 18-01-03)
- D. Consider Approval of Monthly Construction Report – December 2017  
(Please refer to Consent Agenda Item No. 18-01-04)
- E. Consider Authorizing Additional Engineering Services on Project No. 101-0435-16, Fannin County Road and Bridge Improvements  
(Please refer to Consent Agenda Item No. 18-01-05)
- F. Consider Authorizing Additional Legal Services on Project No. 101-0374-14, Lower Bois d'Arc Creek Reservoir Program Management  
(Please refer to Consent Agenda Item No. 18-01-06)
- G. Consider Adoption of Resolution No. 18-01 Authorizing Conveyance of Property in Form of Permanent Electric Easement to Grayson Collin Electric Cooperative for 121 Regional Disposal Facility Concrete Pavement Improvements, Project No. 401-0440-16  
(Please refer to Consent Agenda Item No. 18-01-07)

X. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Consider Authorizing Acceptance of 2016-17 Annual Audit Report  
(Please refer to Administrative Memorandum No. 5071)

President Robert Thurmond noted the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance* from Weaver and Tidwell, LLP, was included in the Board folders.

Upon the recommendation of the Finance/Audit Committee, a motion by Director Larry Parks and a second by Director Terry Sam Anderson, the Board of Directors unanimously authorized acceptance of the 2016-17 Annual Audit Report (CAFR). For the year ending September 30, 2017, the CAFR indicates that total assets increased 14.1% from \$3,244,085,198 to \$3,700,676,525 and that net assets increased 10.3% from \$1,210,161,600 to \$1,334,208,144.

- B. Consider Authorizing Additional Funding for Response 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. 5072)

Upon a motion by Director James Kerr and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize additional funding in the amount of \$450,000 for response to petition appealing wholesale water rates filed by the Cities of Garland, Mesquite, Plano, and Richardson before the Public Utility Commission (PUC) of Texas.

Mr. Kula noted the slide (as well as the Board memorandum) that provided a summary of expenses authorized to date of \$1,250,000 and \$623,007 paid to date for the response to the PUC petition. He also noted that a total of \$2,457,000 has been authorized and \$1,758,552 paid to date related to the Water Contract Amendment, which includes the additional funding authorized on this date.

- C. Consider Authorizing Additional Legal, Engineering and Consulting Services Providers for FY 2017-18  
(Please refer to Administrative Memorandum No. 5073)

Upon a motion by Director Lynn Shuyler and a second by Director John Murphy, the Board of Directors authorized additions to the list of legal, engineering, and consulting services providers for FY 2017-18 as indicated in Administrative Memorandum No. 5073.

Mr. Kula noted that these additions were all related to information technology consulting services providers.

- D. Consider Authorizing Execution of Engineering Services Agreement on Project No. 101-0490-18, Wylie Rockwall Farmersville 36"/48" Pipeline, Phase II Improvements  
(Please refer to Administrative Memorandum No. 5074)

Upon a motion by Director Lynn Shuyler and a second by Director Wayne May, the Board of Directors voted unanimously to authorize execution of an engineering services agreement with Kimley-Horn and Associates, Inc., in the amount of \$1,223,175 on Project No. 101-0490-18, Wylie Rockwall Farmersville 36"/48" Pipeline, Phase II Improvements.

- E. Consider Authorizing Execution of Engineering Services Agreement on Project No. 101-0488-17, Mesquite to Forney Pipeline Relocation at State Highway 352  
(Please refer to Administrative Memorandum No. 5075)

Upon a motion by Director Darrell Grooms and a second by Director Terry Sam Anderson, the Board of Directors voted unanimously to authorize execution of an engineering services agreement with Half Associates, Inc., in the amount of \$56,000 for final engineering design on Project No. 101-0488-17, Mesquite to Forney Pipeline Relocation at State Highway 352.

Mr. Kula noted the slide highlights the location of the pipeline relocation on State Highway 352.

- F. Consider Authorizing Execution of Inspection Services Agreement on Project No. 101-0456-17, Casa View to Hailey Pipeline Relocation at Interstate Highway 635  
(Please refer to Administrative Memorandum No. 5076)

Upon a motion by Director Darrell Grooms 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 Dietz Engineering in the amount of \$22,800 on Project No. 101-0456-17, Casa View to Hailey Pipeline Relocation at Interstate Highway 635.

Mr. Kula advised that Texas Department of Transportation will reimburse NTMWD for the inspection costs as well as fund and construct the 30-inch pipeline relocation as part of the Interstate Highway 635 project.

- G. Consider Authorizing Release of Funds to the City of McKinney for Construction of McKinney No. 4 Delivery Point Meter Vault on Project No. 101-0431-16, North McKinney Pipeline, Phase III  
(Please refer to Administrative Memorandum No. 5077)

On a motion by Director Rod Hogan and a second by Director Joe Joplin, the Board of Directors voted unanimously to authorize release of funds in the amount of \$2,471,250 to the City of McKinney per Interlocal Agreement with the City for funding of the meter vault cost, Project No. 101-0431-16, North McKinney Pipeline, Phase III.

- H. Consider Authorizing Partial Release of Retainage on Project No. 101-0269-11, Trinity River Main Stem Pump Station and Raw Water Pipeline  
(Please refer to Administrative Memorandum No. 5078)

Upon a motion by Director Joe Farmer and a second by Director Darrell Grooms, the Board of Directors voted unanimously to authorize a partial release of retainage to Garney Companies, Inc., in the amount of \$42,000 on Project No. 101-0269-11, Trinity River Main Stem Pump Station and Raw Water Pipeline.

Mr. Stankiewicz provided a status update on the main stem project, which is scheduled for completion by January 2019. He indicated that the pumps have been delivered for the pump station, concrete work is ongoing, that over 55,000 feet or 60% of the pipeline has been installed, and the contractor has completed approximately \$59M in work.

- I. Consider 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)

Upon the recommendation of the Water Committee, a motion by Director Bill Lofland and a second by Director Rod Hogan, the Board of Directors voted

unanimously to authorize additional services to an engineering services agreement with Freese and Nichols, Inc., in the amount of \$380,000 for final engineering design on Project No. 101-0269-11, Trinity River Main Stem Pump Station and Raw Water Pipeline.

Director Larry Parks abstained from voting on this item.

- J. Consider 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)

Upon the recommendation of the Water Committee, a motion by Director Bill Lofland, and a second by Director Bill Glass, the Board of Directors voted unanimously to authorize transfer of funds to the City of Forney in the amount of \$175,360 for construction and design on Project No. 101-0492-18, Forney No. 2 Delivery Point Supervisory Control and Data Acquisition Improvements.

- K. Consider Authorizing Additional Engineering Services on Project No. 101-0192-09, Lower Bois d'Arc Creek Reservoir Environmental Impact Statement  
(Please refer to Administrative Memorandum No. 5081)

Upon a motion by Director Lynn Shuyler and a second by Director Joe Farmer, the Board of Directors voted unanimously to authorize additional engineering services with Solv, LLC, in the amount of \$85,000 on Project No. 101-0192-09, Lower Bois d'Arc Creek Reservoir Environmental Impact Statement.

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

Upon the recommendation of the Water Committee, a motion by Director Bill Lofland and a second by Director John Murphy, the Board of Directors voted unanimously to authorize the Executive Director to terminate an existing Construction Manager At-Risk Agreement with Archer Western Construction, LLC, on Project No. 101-0366-14, Lower Bois d'Arc Creek Reservoir Mitigation Property.

- M. Consider 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)

Upon a motion by Director Lynn Shuyler and a second by Director John Murphy, the Board of Directors voted unanimously to adopt Resolution No. 18-03 authorizing use of competitive sealed proposal procurement method under Texas Government Code Chapter 2269 for the Lower Bois d'Arc Creek Reservoir Mitigation Property, Project No. 101-0366-14.

- N. Consider Authorizing Execution of Agreement with Fannin County Electric Cooperative for Preconstruction Electric Utility Work to Design Utility Relocations along Farm-to-Market Road 897 and other Fannin County Roads, Project No. 101-0362-14, Lower Bois d'Arc Creek Reservoir Power Supply  
(Please refer to Administrative Memorandum No. 5084)

Upon a motion by Director Lynn Shuyler and a second by Director Joe Joplin, the Board of Directors voted unanimously to authorize the Executive Director to execute an agreement with Fannin County Electric Cooperative for preconstruction electric utility relocations along Farm-to-Market Road 897 and Fannin County Roads in the amount of \$1,774,700 on Project No. 101-0362-14, Lower Bois d'Arc Creek Reservoir Power Supply.

- O. Consider Authorizing Additional Legal Services on Project No. 101-0351-14, Lower Bois d'Arc Creek Reservoir, Phase IIIB  
(Please refer to Administrative Memorandum No. 5085)

Upon a motion by Director Darrell Grooms and a second by Director Rod Hogan, the Board of Directors voted unanimously to authorize additional legal services with Lloyd Gosselink Rochelle & Townsend in the amount of \$250,000 on Project No. 101-0351-14, Lower Bois d'Arc Creek Reservoir, Phase IIIB.

- P. Consider Authorizing Execution of Engineering Services Agreement on Project No. 301-0426-16, Regional Water Resource Recovery Facility  
(Please refer to Administrative Memorandum No. 5086)

Upon the recommendation of the Wastewater Committee, a motion by Director Jack May and a second by Director Rod Hogan, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with CDM Smith, Inc., in the amount of \$4,256,967 on Project No. 301-0426-16, Regional Water Resource Recovery Facility.

- Q. Consider Authorizing Execution of Legal Services Agreement on Project No. 501-0491-18, 121 Force Main Improvements, Phase I  
(Please refer to Administrative Memorandum No. 5087)

Upon the 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 legal services with Saunders, Walsh & Beard, Attorneys & Counselors, in the amount of \$250,000 on Project No. 501-0491-18, 121 Force Main Improvements, Phase I.

- R. Consider Authorizing Execution of Legal Services Agreement on Project No. 301-0437-16, Wilson Creek Regional Wastewater Treatment Plant Expansion to 64 MGD  
(Please refer to Administrative Memorandum No. 5088)

Upon a motion by Director Bill Glass and a second by Director James Kerr, the Board of Directors voted unanimously to authorize legal services with Saunders



Walsh & Beard, Attorneys & Counselors, in the amount of \$8,000 on Project No. 301-0437-16, Wilson Creek Regional Wastewater Treatment Plant Expansion to 64 million gallons per day.

- S. Consider Adoption of Resolution No. 18-02 Rejecting Bids and Authorizing Rebid for Custer Road Transfer Station Compost Office, Project No. 401-0465-17 (Please refer to Administrative Memorandum No. 5089)

Upon a motion by Director Joe Farmer and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to adopt Resolution No. 18-02 rejecting all bids and authorizing rebid for Custer Road Transfer Station Compost Office, Project No. 401-0465-17.

Executive Director Tom Kula advised that the staff recommended rejection of bids and rebidding as the bids were much higher than the Engineer's Opinion of Probably Construction Cost (OPCC), the lower bidder requested their bid be withdrawn due to a mathematical error, leaving only one bid that was 52% higher than the OPCC.

- T. Consider 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)

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 authorize the Executive Director to execute a legal services agreement with Gay, McCall, Isaacks & Roberts, PC, in the amount of \$10,000 for legal services on Project No. ENG 18-1, Joint Use Agreement between Texas Department of Transportation and the NTMWD for Farm-to-Market Road 3549 Road Improvements.

Upon a Board member question, staff confirmed that NTMWD's legal services agreements are on a not-to-exceed cost basis.

## XI. DISCUSSION ITEMS

- A. Update on Lower Bois d'Arc Creek Reservoir Project

1. Land Acquisition Program

NTMWD's Real Estate Manager, Jennifer Flipppo, provided an update on the land acquisition program for the Lower Bois d'Arc Creek Reservoir project displaying a chart of the various aspects of the program.

Upon a Board member question, anticipated completion dates will be added to the chart and distributed to Board members.

Deputy Director Billy George advised that Ms. Flippo would be transitioning to the Lake Manager position.

2. Naming of Reservoir and Associated Facilities

Mr. Kula clarified that input from the full Board of Directors would be considered in naming of the reservoir and associated facilities and input would be sought from the Executive Committee in February on a path forward in the process.

In response to a Board member question, staff confirmed that the agreement with Fannin County allows the County to present suggested names and that the decision would be made through Board action at a regular Board meeting.

3. Permitting Process

Mr. Kula reported that the US Army Corps of Engineers (USACE) had finalized the Record of Decision and forwarded to the US Environmental Protection Agency (USEPA) on January 19, 2018. He confirmed that the USEPA has a total of 15 days to review and provide comments back to the USACE. He indicated that a Special Board meeting would be needed in February once the Clean Water Act Section 404 Permit is received for the Board to consider approval of the special provisions.

B. 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. *Petition of the Cities of Garland, Mesquite, Plano and Richardson Appealing Wholesale Water Rates Implemented by North Texas Municipal Water District, Docket No. 47863 before the Public Utility Commission of Texas*
3. Facilitation with Member Cities Regarding Alternate Cost Methodologies to the Amendatory Water Supply Contract

The regular session recessed at 5:06 p.m.

President Robert Thurmond declared a need for an Executive Session of the Board of Directors to discuss Agenda Item Nos. XI. B. 1-3 on the regular meeting agenda pursuant to Texas Government Code, Title 5, Subchapter D., Section 551.071, Consultation with Attorney. The Executive Session was called to order by President Robert Thurmond at 5:06 p.m.

The Executive Session adjourned at 5:30 p.m. No action was taken in the Executive Session.

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

Director Darrell Grooms requested considering starting the Board meetings at 3:00 p.m. rather than 4:00 p.m.

Director Joe Joplin mentioned his previous request to consider redesign of the men's restroom.

XII. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 5:32 p.m. The next regular meeting of the NTMWD Board of Directors will be held Thursday, February 22, 2018, 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)

