

NORTH TEXAS MUNICIPAL WATER DISTRICT

WASTEWATER COMMITTEE MEETING MINUTES MARCH 22, 2018

I. CALL TO ORDER

Chairman Jack May called the meeting of the North Texas Municipal Water District (NTMWD) Wastewater Committee to order at approximately 12:00 p.m. on Thursday, March 22, 2018, at the NTMWD Administrative Offices, Wylie, Texas.

Committee members present included Chairman Jack May, Directors Bill Glass, Darrell Grooms, Blair Johnson, James Kerr, Charles McKissick, and Larry Parks. A quorum of the Wastewater Committee was present. Any reference to unanimous votes refers to a unanimous vote of the Committee members present.

President Robert Thurmond, Vice President John Sweeden, Past President Terry Sam Anderson, Directors Joe Farmer, Rod Hogan, David Hollifield, Joe Joplin, Bill Lofland, John Murphy, Richard Peasley, and Lynn Shuyler were also present. Secretary Don Gordon attended a portion of the meeting.

NTMWD staff present included Tom Kula, Mike Rickman, Rodney Rhoades, Cesar Baptista, Jenna Covington, Morgan Dadgostar, Erik Felthous, Melisa Fuller, Shawna Helmberger, Scott Hoelzle, R.J. Muraski, Jeff Ray, Ken Wesson, and Leann Bumpus. Brian Brooks, Jim Shirley and Joshua Hathaway attended a portion of the meeting.

Lauren Kalisek and Jose de la Fuente with Lloyd Gosselink Rochelle & Townsend, Lewis Isaacks with Saunders, Walsh & Beard, Chris Ekrut and Michael Sommerdorf with NewGen Strategies and Solutions, and Jean Shuyler were also present.

II. OPENING REMARKS

- A. Executive Director/Committee Champion Status Report concerning legislation and regulatory matters, budgets, current projects and ongoing programs of the District including the Regional Wastewater System

Chairman Jack May introduced Blair Johnson and welcomed him to the Wastewater Committee.

Assistant Deputy Director Jenna Covington indicated there was a full agenda and time would be applied to other items in lieu of providing a Champion Status Report.

III. ACTION ITEMS

- A. Consider Approval of Wastewater Committee Meeting Minutes – January 25, 2018

On a motion by Director Darrell Grooms and a second by Director James Kerr, the Wastewater Committee voted unanimously to approve the minutes of the Wastewater Committee meeting held on January 25, 2018.

Chairman Jack May recommended rearranging the agenda order to cover Discussion Item B. and Action Item C. prior to Action Item B.

- B. Consider Recommendation on Authorizing Ratification of Actions by Executive Director in Executing Agreed Order with Texas Commission on Environmental Quality, Docket No. 2016-0067-MWD-E
(Please refer to Consent Agenda Item No. 18-03-04)

Assistant Deputy Director Jenna Covington explained this agreed order stemmed from a November 2015 Sanitary Sewer Overflow (SSO) into Spring Creek of approximately 797,000 gallons that killed 1,741 fish. She presented a picture of a pipeline that was shown to the Board in 2015. She stated a boring installation of conduit next to the pipe was believed to have caused damage to the pipeline. She indicated the administrative penalty of \$7,425 assessed by the Texas Commission on Environmental Quality (TCEQ) was offset by a Supplemental Environmental Project (SEP) for Texoma Council of Government's Household Hazardous Waste Collection Events project. The effective date of the Agreed Order (AO) was October 2016 and the terms of the AO were completed in December 2016.

Tom Kula indicated this item is being brought before the Committee now because of another agreed order that will be discussed later on in the agenda. During the course of developing the current agenda, staff reviewed the files and determined other enforcement actions had not been presented to the Board for approval.

On a motion by Director Larry Parks and a second by Director Charles McKissick, the Wastewater Committee voted unanimously to recommend to the Board of Directors authorizing ratification of actions by Executive Director in Executing Agreed Order with Texas Commission on Environmental Quality, Docket No. 2016-0067-MWD-E.

- C. Consider Recommendation on Authorizing Ratification of Actions by Executive Director in Executing an Agreement on Sanitary Sewer Overflow Initiative with Texas Commission on Environmental Quality
(Please refer to Consent Agenda Item No. 18-03-05)

Assistant Deputy Director Jenna Covington explained the details of the Sanitary Sewer Overflow Initiative (SSOI). She stated the SSOI is a voluntary TCEQ program to address SSOs. She explained the benefit that participants are not normally subject to formal enforcement for SSOs that do not adversely affect the environment.

Mrs. Covington stated the previous agreement expired in December 2016. She said the term for the current agreement is January 2018 to December 2026 and formalizes commitments for corrective measures, etc.

On a motion by Director James Kerr and a second by Director Larry Parks, the Wastewater Committee voted unanimously to recommend to the Board of Directors authorizing ratification of actions by Executive Director in Executing Agreement on Sanitary Sewer Overflow Initiative with Texas Commission on Environmental Quality.

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- D. Consider Recommendation on Authorizing Ratification of Actions by Executive Director in Executing Agreed Order with Texas Commission on Environmental Quality, Docket No. 2016-1955-MWD-E
(Please refer to Administrative Memorandum No. 5129)

Assistant Deputy Director Jenna Covington said this particular agreed order stemmed from multiple violations. She reviewed each violation and explained how fines are determined. She said the TCEQ approved the District's request to offset the administrative penalty amount of \$93,837 through a SEP. The effective date was January 2018 with a completion date of May 1, 2018. However, staff has requested and expect an extension to be granted on the completion date.

On a motion by Director Charles McKissick and a second by Director Bill Glass, the Wastewater Committee voted unanimously to recommend to the Board of Directors authorizing ratification of actions by Executive Director in Executing Agreed Order with Texas Commission on Environmental Quality, Docket No. 2016-1955-MWD-E.

In response to a Committee member's question, Mrs. Covington stated for the most recent SSO's and press releases there were no fish kills associated with those events. She said this is the wettest February on record, and staff does not anticipate any enforcement for these events.

In response to a question from a Committee member why ratification was required, Mrs. Covington explained that some staff members were not aware these enforcement actions required Board action. Additionally, she stated documents from TCEQ have a short turnaround period and there is not always time to obtain Board approval prior to signing; therefore, future ratification may be necessary.

- E. Consider Recommendation on Authorizing Execution of Engineering Services Agreement on Project No. 501-0448-16, Wilson Creek Lift Station Improvements
(Please refer to Administrative Memorandum No. 5126)

Assistant Deputy Director Cesar Baptista reviewed the history of the Wilson Creek Lift Station. He stated the lift station's current capacity is 21 million gallons per day (MGD) firm capacity. He indicated additional capacity is needed due to growth and wet weather flows. He stated the Phase 1 expansion will increase the station capacity to 50 MGD and Phase 2 to 66 MGD.

Mr. Baptista showed a map of the pipelines feeding the McKinney Lift Station. He reviewed the project components, which include two additional pumps, discharge header modifications, evaluation of storage capacity and the addition of a bypass connection as well as instrumentation and electrical work to support improvements. He indicated the Engineer's opinion of probable construction cost is approximately \$6.9M.

On a motion by Director Bill Glass and a second by Director Larry Parks, the Wastewater Committee voted unanimously to recommend to the Board of Directors authorizing execution of an Engineering Services Agreement with Kimley-Horn and Associates, Inc. on Project No. 501-0448-16, Wilson Creek Lift Station Improvements.

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- F. Consider Recommendation on Authorizing Additional Funding for Land Acquisition Program and Adoption of Resolution No. 18-13 Authorizing Additional Funding for Purchase of Approximately 25 Acres for the Discharge Location Supporting the Proposed Regional Water Resource Recovery Facility Site, Project No. 301-0426-16
(Please refer to Administrative Memorandum No. 5125 & 5125A)

The regular session recessed at 12:50 p.m.

Chairman Jack May declared the need for an Executive Session of the Wastewater Committee to discuss Agenda Item Nos. "III. F. and G." pursuant to Texas Government Code, Title 5, Subchapter D, Section 551.071, Consultation with Attorney, and Section 551.072, Real Property, of the Texas Government Code. The Executive Session was called to order by Chairman Jack May at 12:50 p.m.

The Executive Session adjourned at 1:15 p.m.

The Wastewater Committee reconvened into regular session at 1:15 p.m. No action was taken in the Executive Session.

On a motion by Director James Kerr and a second by Director Charles McKissick, the Wastewater Committee voted unanimously to recommend to the Board of Directors authorizing additional funding in the not-to-exceed amount of \$650,000; resulting in a total authorization of \$19,750,000 (previous approval of \$19,100,000) for the land acquisition program; and, adopt Resolution No. 18-13, authorizing additional funding for the purchase of approximately 18 Acres for the discharge location supporting the Proposed Regional Water Resource Recovery Facility Site, Project No. 301-0426-16.

- G. Consider Recommendation on Authorizing Amendment to Existing Interlocal Agreement with the Town of Fairview to Facilitate Road Improvements and Provide for Increasing Weight Limits on Stacy Road, Project No. 301-0396-15
(Please refer to Administrative Memorandum No. 5127 & 5127A)

This item was discussed in the Executive Session as noted above.

On a motion by Director James Kerr and a second by Director Charles McKissick, the Wastewater Committee voted unanimously to recommend to the Board of Directors authorizing additional payment associated with the existing Interlocal Agreement with the Town of Fairview in the amount of \$650,000; resulting in a total authorization of \$2,850,000 (previous approval of \$2,200,000) to facilitate road improvements and provide for increasing weight limits on Stacy Road, Project No. 301-0396-15.

IV. DISCUSSION ITEMS

- A. Review Wastewater System Cost of Service Projections

Interim Deputy Director Rodney Rhoades introduced Chris Ekrut with NewGen Strategies & Solutions and stated they would be presenting a snapshot of the cost of service projections.

Mr. Ekrut stated his analysis projects out ten years for the plants and interceptor systems. He indicated there are three main areas; operation and maintenance expense, capital, and reserve transfers. He reviewed the regional wastewater system and treatment plant graphs and explained the information.

Mr. Ekrut asked the Committee to focus on the difference between 2018 and 2019. He indicated the Regional Wastewater System is currently \$64.5M and projected to be \$72.94M in 2019, driven mainly by capital. He reviewed the major systems and provided a handout of all systems.

B. Review Wastewater System Performance Update

Assistant Deputy Director Jenna Covington indicated that Tom Kula requested a performance overview be provided to the Wastewater Committee every six months. She reviewed a graphic showing effective utility management (EUM) and explained EUM is industry framework for performance management. She reviewed the five keys to management success including leadership, strategic business planning, knowledge management, measurement and continuous improvement. She also discussed the ten attributes of effectively managed utilities.

Mrs. Covington explained EUM framework was used in recent assessments. She quoted Peter Drucker, "If you can't measure it, you can't improve it." She said the focus of NTMWD's compliance is in two areas: 1.) elimination of overflows and 2.) meeting permitted water quality parameters. She presented charts and indicated the most critical overflow violations are those greater than 100,000 gallons or that have an environmental impact.

Mrs. Covington reviewed the documents that are provided to the Board on a monthly basis. She explained the reports and how Directors can access each of them.

In response to a question from a Committee member asking how we can compare the District to other regional wastewater utilities, Mrs. Covington indicated a study was completed in 2016 and that provided a comparison with other utilities.

Mr. Kula stated staff will present to the Committee on a regular basis updates related to US Environment Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ) items reported.

C. Indian Creek Lift Station and Force Main Construction Update

Due to time constraints, this item will be discussed at a future Committee meeting.

D. Discuss City of Melissa's Regional Wastewater System Membership Request

Due to time constraints, this item will be discussed at a future Committee meeting.

E. Opportunity for Committee Members to Provide Feedback on Wastewater Committee Meeting

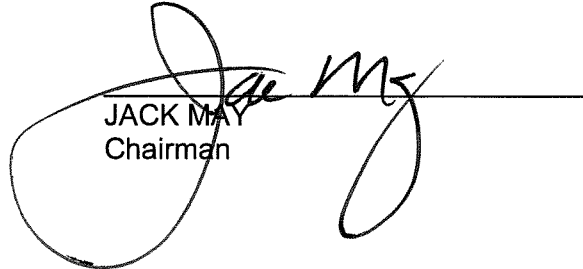
There was no feedback provided by Committee members.

F. Opportunity for Committee Members to Request Potential Future Agenda Items

There were no potential future agenda items requested by Committee members.

V. ADJOURNMENT

There being no further business, the meeting of the Wastewater Committee adjourned at approximately 1:35 p.m. The Chairman will call the next meeting of the Wastewater Committee with proper notification to all members.


JACK MAY
Chairman