



NORTH TEXAS MUNICIPAL WATER DISTRICT

**501 E. Brown Street • Wylie, Texas 75098
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MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS AUGUST 23, 2018

The North Texas Municipal Water District (NTMWD) Board of Directors met in regular meeting on Thursday, August 23, 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 John Sweeden called the meeting to order at approximately 4:00 p.m.

II. INVOCATION – Director Darrell Grooms

Director Darrell Grooms offered the invocation.

III. PLEDGE OF ALLEGIANCE

President John Sweeden led the Pledge of Allegiance.

IV. PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG

President John Sweeden led the Pledge of Allegiance to the Texas Flag.

V. ANNOUNCEMENT OF QUORUM

Secretary Larry Parks announced a quorum was present. Directors absent are noted below, and any reference to unanimous votes excludes the Directors identified as being absent from the meeting. Director Darrell Grooms was present for the first action item X. M. only; and, therefore, did not vote on any other items on the agenda.

1	Anderson, Terry Sam	
2	Carr, John	
3	Crump, George	
4	Dyer, Phil	Absent
5	Farmer, Joe	
6	Fuller, Marvin	Absent
7	Glass, Bill	
8	Gordon, Don	
9	Grooms, Darrell	
10	Hogan, Rod	
11	Hollifield, David	
12	Island, David	

13	Johnson, Blair	
14	Joplin, Joe	
15	Kerr, James	
16	Lofland, Bill	
17	May, Jack	
18	McKissick, Charles	
19	Murphy, John	
20	Parks, Larry	
21	Paschall, David	
22	Peasley, Richard	
23	Shuyler, Lynn	
24	Sweeden, John	
25	Thurmond, Robert	Absent

The following NTMWD legal and financial consultants attended the meeting:

Lauren Kalisek and Sara Thornton – Lloyd Gosselink Rochelle & Townsend
Lewis Isaacks and Mark Walsh – Saunders Walsh & Beard
Ron Lewis – Ron Lewis & Associates
Molly Carson and Alan Raynor – McCall Parkhurst & Horton
Nick Bulaich - Hilltop Securities

VI. PUBLIC COMMENTS

Comments from registered speakers related to the North Texas Municipal Lake naming were heard during consideration of Item VIII. M.

VII. OPENING REMARKS

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

Assistant Deputy John Montgomery recognized retiring employee Jim Rutledge for over 30 years of service to the NTMWD.

Assistant Deputy Erik Felthous recognized members of the Accounting department for receipt of the Certificate of Achievement for Excellence in Financial Reporting, which was awarded to NTMWD by the Government Finance Officers Association of the United States and Canada (GFOA). Mr. Felthous advised this marks the 28th consecutive year NTMWD has received this award. Members of the Accounting department recognized included Tammy Turner, Holly Matthews, and Teresa Wigington.

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

President Sweeden welcomed and thanked everyone in the audience for attending.

President Sweeden expressed appreciation for assistance from Director David Paschall (Personnel Committee Chairman) with the Executive Director's performance evaluation noting that per the Board Policies Manual the evaluation process was completed prior to August 1, 2018, with a meeting with the Executive Director to review the letter and evaluation information.

President Sweeden reviewed the September 2018 Board/Committee meeting schedule as follows:

- Executive, Finance, and Wastewater Committee meetings scheduled on Thursday, September 13, 2018; and,
- Policy and Water Committee meetings and Regular Board meeting scheduled on Thursday, September 27, 2018.

President Sweeden advised that Director Larry Parks will abstain from voting on Agenda Item No. X. E.

President Sweeden mentioned that the District is trying to be as transparent and responsive as possible and noted that additional information is being included on NTMWD's website. He also noted the creation of a parking lot to track Board members' requests, with a recap of such items at the end of Board and Committee meetings.

Mr. Sweeden announced that Senator Bob Hall was in attendance and thanked him for attending. Executive Director Tom Kula stated Senator Hall is welcome to provide public comments also.

President Sweeden indicated Item XI. M. related to renaming of the North Texas Municipal Lake will be discussed at the beginning of the meeting to accommodate guests in attendance interested in this agenda item.

- 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 indicated the monthly Member City Manager breakfast meeting will be held on Monday, August 27, 2018, and the topic will be to brief the FY19 budget.

Mr. Kula introduced the new Water System Manager Zeke Campbell.

President Sweeden announced that the agenda order was being adjusted to consider Item XI. M. at this point in the meeting.

X. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

- M. Consider Possible Action on Renaming of North Texas Municipal Lake
(Please refer to Administrative Memorandum No. 5236)

Mr. Kula indicated an agreement with Fannin County includes a number of actions the County had requested, including the opportunity to provide a suggested name of the reservoir for the Board of Director's consideration. He indicated that the name of Jimmy Doyle was submitted last fall by Fannin County Judge Carter as the County's recommendation, which was considered by the Board along with other prominent names. The Board of Director's vote resulted in two names receiving the most votes: (1) North Texas Municipal Lake (NTML), and (2) Bois d'Arc Lake, with NTML receiving the majority vote.

Mr. Kula indicated the name of NTML was announced at the lake groundbreaking event, and since that time the Board has received numerous comments requesting the Board consider a different name. He noted that at the July Board of Directors meeting, the agenda included an opportunity for public comments related to the name. Mr. Kula stated that the Board appreciated the public comments presented in July and noted all comments received requested consideration of changing the reservoir name to include Bois d'Arc.

Mr. Kula stated the commenters presented information on the history and importance of the name of "Bois d'Arc" to that area and Fannin County. He indicated the Board is taking those comments received into consideration and now have the opportunity to further discuss this and consider an alternate name. He said the District has always had great relationship with Fannin County and feels that both parties honored the agreement.

Mr. Kula indicated the North Texas Municipal Lake name was chosen with pride in the NTMWD service area and takes into account the 13 Member Cities and 80 communities served.

The following individuals provided comments to the Board of Directors expressing their desire to include "Bois d'Arc" in the name of the new reservoir in Fannin County:

1. Senator Bob Hall
2. Paul Ivy

President Sweeden informed the Board that two Board members not present provided comments to be shared with the Board as follows:

- Director Phil Dyer indicated he supports renaming the reservoir to include Bois d'Arc; and,
- Director Marvin Fuller indicated he was in favor of the name change to Bois d'Arc Lake.

Director Rod Hogan made a motion, which was seconded by Director Bill Glass, to change the North Texas Municipal Lake to Bois d'Arc Lake.

After extensive discussion amongst Board members, Director Rod Hogan amended the motion to include the NTMWD name or logo on signage. Director Bill Glass agreed with the amended motion.

Upon the amended motion by Director Rod Hogan and a second by Director Bill Glass, the Board of Directors by majority vote authorized the renaming of the lake to Bois d'Arc Lake with direction to staff to reference the District's ownership on signage as appropriate. Director Darrell Grooms voted against the motion.

After the motion passed, Judge Carter spoke and thanked NTMWD for allowing the public comments last month. Judge Carter expressed appreciation on behalf of the Fannin County Commissioner's Court to the Board of Directors.

The Board of Directors took a five-minute break.

VIII. UPDATE ON NORTH TEXAS MUNICIPAL LAKE (NTML)

Cesar Baptista, Assistant Deputy Director – Engineering, provided an update on the North Texas Municipal Lake construction project including the status of each of the Construction Manager At-Risk projects and the mitigation project. His update included the current estimated cost of the project and photographs of ongoing construction.

IX. CONSENT AGENDA ITEMS

Upon a motion by Director Terry Sam Anderson and a second by Director James Kerr, the Board of Directors unanimously approved the consent agenda items as follows:

- A. Consider Approval of Board of Directors Regular Meeting Minutes – July 26, 2018
(Please refer to Consent Agenda Item No. 18-08-01)
- B. Consider Approval of Special Board Meeting Minutes – July 26, 2018
(Please refer to Consent Agenda Item No. 18-08-02)
- C. Consider Approval of Monthly Construction Report – July 2018
(Please refer to Consent Agenda Item No. 18-08-03)
- D. Consider Authorizing Amendment No. 13 to Interlocal Agreement with Collin County for Participation in the County Cleanup Day Program at the 121 Regional Disposal Facility
(Please refer to Consent Agenda Item No. 18-08-04)

X. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

- A. 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. 5224)

Upon a motion by Director Terry Sam Anderson, and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize additional funding in the amount of \$400,000 for legal support services to respond to the petition appealing wholesale water rates filed by Cities of Garland, Mesquite, Plano, and Richardson before the Public Utility Commission of Texas.

- B. Consider Adoption of Resolution No. 18-43 Authorizing Execution and Termination of Financing Agreement with Texas Water Development Board for Funding of North Texas Municipal Lake and Treatment and Treated Water Distribution Improvements
(Please refer to Administrative Memorandum No. 5225)

Upon the recommendation of the Finance/Audit Committee, a motion by Director David Hollifield, and a second by Director Rod Hogan, the Board of Directors voted unanimously to adopt Resolution No. 18-43 authorizing the Executive Director and/or Deputy Director of Finance and Personnel to execute financing agreements and terminate financing agreements in the event that NTMWD is unable to issue debt for any reason prior to the deadline for penalties with the Texas Water Development Board on the North Texas Municipal Lake (recently renamed Bois d'Arc Lake) and Treatment and Treated Water Distribution Improvements.

- C. Consider Authorizing Execution of Engineering Services Agreement on Project No. 101-0512-18, Wylie Water Treatment Plant Rush Creek Channelization and Metering
(Please refer to Administrative Memorandum No. 5226)

Upon the recommendation of the Water Committee, a motion by Director Jack May, and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement for final engineering design with Pacheco Koch in the amount of \$283,328 for Project No. 101-0512-18, Wylie Water Treatment Plant Rush Creek Channelization and Metering.

- D. Consider Authorizing Award of Construction Contract on Project No. 101-0461-17, Wylie Water Treatment Plant Emergency Notification System
(Please refer to Administrative Memorandum No. 5227)

Upon the recommendation of the Water Committee, a motion by Director Jack May, and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize award of a construction contract to Johnson Controls Security Solutions, LLC, in the amount of \$3,211,013 for Project No. 101-0461-17, Wylie Water Treatment Plant Emergency Notification System.

- E. Consider Authorizing Execution of Engineering Services Agreement on Project No. 101-0511-18, Wylie Water Treatment Plant I Washwater Supply Tank Improvements
(Please refer to Administrative Memorandum No. 5228)

Upon the recommendation of the Water Committee, a motion by Director Jack May, and a second by Director Joe Farmer, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement for preliminary engineering design with Freese and Nichols, Inc., in the amount of \$79,875 for Project No. 101-0511-18, Wylie Water Treatment Plant I Washwater Supply Tank Improvements.

Director Larry Parks abstained from voting on this item.

- F. Consider Authorizing Execution of Inspection Services Agreement on Project No. 101-0352-14, Wylie Water Treatment Plant Water System Operations Center (Please refer to Administrative Memorandum No. 5229)

Upon a motion by Director Lynn Shuyler 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 \$285,285 for inspection services on Project No. 101-0352-14, Wylie Water Treatment Plant Water System Operations Center.

- G. Consider Authorizing Execution of Engineering Services Agreement on Project No. 101-0510-18, Transmission System Water Quality Analyzers (Please refer to Administrative Memorandum No. 5230)

Mr. Kula stated this item was briefed at the Water Committee meeting earlier today. He pointed out installation of the water quality analyzers at strategic points in the transmission system will allow NTMWD staff to better understand the quality of the treated water as it travels through the system.

Upon the recommendation of the Water Committee, a motion by Director Jack May, and a second by Director David Paschall, the Board of Directors voted unanimously to authorize the Executive Director to execute a final engineering design services agreement with Gupta & Associates, Inc., in the amount of \$363,457.50 for Project No. 101-0510-18, Transmission System Water Quality Analyzers.

- H. Consider Authorizing Award of Construction Contract on Project No. 101-0480-17, High Service Pump Station 3-1 Improvements (Please refer to Administrative Memorandum No. 5231)

Upon a motion by Director John Murphy and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize award of a construction contract to Eagle Contracting, LP, in the amount of \$6,014,100 on Project No. 101-0480-17, High Service Pump Station 3-1 Improvements.

- I. Consider Authorizing Legal Services on Project No. 101-0332-13, Rockwall to Royse City Pipeline No. 2 and East System Ground Storage Tank, Phase A, 12-Inch Rockwall to Royse City Pipeline Adjustments along State Highway 66 (Please refer to Administrative Memorandum No. 5232)

This item was discussed in Executive Session as stated below.

Upon a motion by Director Joe Joplin and a second by Director David Paschall, the Board of Directors voted unanimously to authorize legal services in the amount of \$25,000 with Saunders, Walsh & Beard, Attorneys & Counselors on Project No. 101-0332-13, Rockwall to Royse City Pipeline No. 2 and East System Ground Storage Tank, Phase A, 12-inch Rockwall to Royse City Pipeline Adjustments along State Highway 66.

- J. Consider Authorizing Designation of Treated Water Pipeline from Leonard Water Treatment Plant to McKinney No. 4 as a Major Pipeline System, Project No. 101-0425-16
(Please refer to Administrative Memorandum No. 5233)

Upon a motion by Director James Kerr and a second by Director Bill Glass, the Board of Directors voted unanimously to designate the Treated Water Pipeline from Leonard Water Treatment Plant to McKinney No. 4 as a Major Pipeline System, Project No. 101-0425-16.

- K. Consider Authorizing Execution of Construction Agreement with Fannin County Electric Cooperative for Permanent Power Supply on Project No. 101-0362-14, North Texas Municipal Lake Power Supply
(Please refer to Administrative Memorandum No. 5234)

Reservoir Project Manager Steve Long indicated that inundation of NTML will impact a large area of Fannin County Electric Cooperative's (FCEC) distribution system. He stated the intent of this construction agreement is to relocate FCEC overhead power lines and customer service distribution lines due to conflicts caused by construction and inundation of NTML.

Upon the recommendation of the Water Committee, a motion by Director Jack May, 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 in the amount of \$32,166,212.50 for permanent power supply to the dam and raw water pump station and the Leonard Water Treatment Plant and relocating electric utility facilities due to conflicts caused by construction and inundation of North Texas Municipal Lake on Project No. 101-0362-14, North Texas Municipal Lake Power Supply.

- L. Consider Authorizing Execution of Amendment No. 6 to Construction Manager At-Risk Agreement for Additional Preconstruction and Procurement Services, Project No. 101-0436-16, North Texas Municipal Lake Boat Ramps
(Please refer to Administrative Memorandum No. 5235)

Upon a motion by Director David Paschall and a second by Director Terry Sam Anderson, the Board of Directors voted unanimously to authorize Amendment No. 6 to the Construction Manager At-Risk agreement with Austin Bridge and Road, Inc. in the amount of \$234,000 for additional preconstruction and procurement services on Project No. 01-0436-16, North Texas Municipal Lake Boat Ramps.

- N. Consider Authorizing Ratification of Actions by Executive Director in Executing an Emergency Repair to the Wilson Creek Regional Wastewater Treatment Plant Outfall
(Please refer to Administrative Memorandum No. 5237)

Upon a motion by Director David Paschall and a second by Director Jack May, the Board of Directors voted unanimously to authorize ratification of actions of the Executive Director in authorizing an emergency repair to the Wilson Creek Regional Wastewater Treatment Plant (RWWTP) Outfall in the amount of

\$246,276.68 in order to install and operate a pumping system from Lavon Lake to Wilson Creek RWWTP near the treated effluent discharge.

- O. Consider Authorizing Execution of Engineering Services Agreement for Contract Project Management Services
(Please refer to Administrative Memorandum No. 5238)

Upon a motion by Director Rod Hogan and a second by Director Terry Sam Anderson, the Board of Directors voted unanimously to authorize the Executive Director to execute an engineering services agreement with Jacobs Engineering, Inc., in the not-to-exceed amount of \$143,676 for contract project management services on various projects listed in Administrative Memorandum No. 5238 from September 1, 2018, to August 31, 2019.

- P. Consider Authorizing Right-of-Way Acquisition Program and Adoption of Resolution No. 18-44 Authorizing Use of Eminent Domain to Acquire Right-of-Way for the Wylie Rockwall Farmersville 36"/48" Pipeline, Phase II Improvements, Project No. 101-0490-18, and Delegating the Authority to Initiate Condemnation Proceedings to the NTMWD Executive Director
(Please refer to Administrative Memorandum No. 5239)

Upon a motion by Director Joe Joplin, and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize the Executive Director to execute a right-of-way acquisition program in the not-to-exceed amount of \$1,584,000 and adopt Resolution No. 18-44 authorizing the use of eminent domain to acquire right-of-way on Project No. 101-0490-18, Wylie Rockwall Farmersville 36"/48" Pipeline, Phase II Improvements and delegating authority to initiate condemnation proceedings to the Executive Director.

- Q. Consider Authorizing Right-of-Way Acquisition Program and Adoption of Resolution No. 18-42 Authorizing the Use of Eminent Domain to Acquire Right-of-Way for the Water Pipeline Relocations at Farm-to-Market Road (FM) 3549, Project No. 101-0503-18, and Delegating the Authority to Initiate Condemnation Proceedings to the Executive Director
(Please refer to Administrative Memorandum No. 5240)

Upon a motion by Director Rod Hogan, and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize the Executive Director to execute a right-of-way acquisition program in the not-to-exceed amount of \$40,000 and adopt Resolution No. 18-42 authorizing the use of eminent domain to acquire right-of-way on Project No. 101-0503-18, Water Pipeline Relocations at FM 3549 and delegating authority to initiate condemnation proceedings to the Executive Director.

- R. Consider Authorizing Right-of-Way Acquisition Program and Adoption of Resolution No. 18-45 Authorizing Use of Eminent Domain to Acquire Right-of-Way for the Treated Water Pipeline from Leonard Water Treatment Plant to McKinney No. 4, Project No. 101-0425-16, and Delegating Authority to Initiate Condemnation Proceedings to the NTMWD Executive Director
(Please refer to Administrative Memorandum No. 5241)

Upon the recommendation of the Water Committee, a motion by Director Jack May, and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to authorize the Executive Director to execute a right-of-way acquisition program in the not-to-exceed amount of \$7,230,500 and adopt Resolution No. 18-45 authorizing the use of eminent domain to acquire right-of-way for the Treated Water Pipeline from Leonard Water Treatment Plant to McKinney No. 4, Project No. 101-0425-16, and delegating authority to initiate condemnation proceedings to the Executive Director.

- S. **TABLED ITEM:** Consider Adoption of Resolution No. 18-36 Declaring Property Surplus to the Needs of NTMWD and Authorizing the Executive Director to Exchange Surplus Property for Site 12 Parcel, North Texas Municipal Lake, Fannin County Road and Bridge Improvements, Project No. 101-0435-16 and Authorizing the Executive Director to Execute Documents Necessary for Acquisition and Exchange of Parcels
(Please refer to Administrative Memorandum No. 5203-2)

Upon a motion by Director James Kerr to remove the item from the table and a second by Director Bill Glass, the motion was unanimously approved by the Board.

Upon a motion by Director Rod Hogan, and a second by Director Jack May, the Board of Directors voted unanimously to table adoption of Resolution No. 18-36 until the September 27, 2018, Board meeting.

XI. DISCUSSION ITEMS

The regular session recessed at 5:55 p.m.

President John Sweeden declared a need for an Executive Session of the Board of Directors to discuss Agenda Item Nos. X. I.; XI. A. (1-4) and B. (1.) pursuant to Texas Government Code, Title 5, Subchapter D, Section 551.071, Consultation with Attorney.

The Executive Session was called to order by President John Sweeden at 5:55 p.m.

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. *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. *Ex Parte, North Texas Municipal Water District*, Cause No. 429-01462-2018 in the 429th Judicial District, District Court of Collin County, Texas
4. Facilitation with Member Cities Regarding Alternate Cost Methodologies to the Amendatory Water Supply Contract

These items were discussed in Executive Session as noted above.

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

1. Knight et al. vs. U.S. Army Corps of Engineers, Case No. 18-352-ALM in the U.S. District Court for the Eastern District of Texas, Sherman Division

This item was discussed in Executive Session as noted above.

The Executive Session adjourned at 6:15 p.m. No action was taken in the Executive Session.

President John Sweeden reconvened the meeting into regular session.

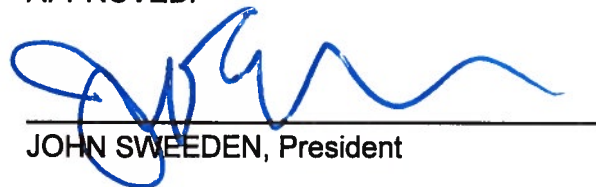
C. Opportunity for Board Members to Request Potential Future Agenda Items
(No substantive discussion of items will take place at this time)

There were no requests received from Board members for potential future agenda items.

XI. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 6:16 p.m. The next regular meeting of the NTMWD Board of Directors will be held Thursday, September 27, 2018, at 4:00 p.m. at the North Texas Municipal Water District offices at 501 E. Brown Street, Wylie, Texas.

APPROVED:


JOHN SWEEDEN, President

ATTEST:


LARRY PARKS, Secretary

(Seal)

