



NORTH TEXAS MUNICIPAL WATER DISTRICT

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MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS JANUARY 24, 2019

The North Texas Municipal Water District (NTMWD) Board of Directors met in regular meeting on Thursday, January 24, 2019, 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 4:28 p.m.

II. INVOCATION – The invocation was offered by Director Jack May.

III. PLEDGE OF ALLEGIANCE

IV. 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. A special welcome was given to Director Robert Thurman.

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

15	Kerr, James	
16	Lofland, Bill	
17	May, Jack	
18	McKissick, Charles	
19	Murphy, John	Absent
20	Parks, Larry	
21	Peasley, Richard	
22	Shuyler, Lynn	
23	Sweeden, John	
24	Thurmond, Robert	
25	Vacant (Mesquite)	

The following NTMWD legal and financial consultants attended the meeting:

Lauren Kalisek – Lloyd Gosselink Rochelle & Townsend
Lewis Isaacks and Mark Walsh – Saunders Walsh & Beard
David Medanich and Nick Bulaich - Hilltop Securities

VI. PUBLIC COMMENTS

There were no public comments.

VII. OPENING REMARKS

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

1. Federal Legislators

Resolutions were presented commending the following federal legislators for their assistance with the Bois d'Arc Lake project:

- a. Congresswoman Eddie Bernice Johnson – Resolution accepted by Congresswoman Johnson's representative.
- b. Congressman John Ratcliffe – Resolution accepted by Congressman Ratcliffe's representative.

Congressman Sam Johnson and Congressman Pete Sessions were not in attendance.

2. Board of Directors Service

Board members were presented service pins as follows:

- a. Director David Island – One Year (Executive Director Tom Kula advised that Director Island was absent due to a death in his family.)
- b. Director Joe Joplin – 15 Years
- c. Director Bill Lofland – 20 Years

3. Recognition of Director Robert Thurmond's Service as Board President

Executive Director Kula and President John Sweeden recognized Robert Thurmond for his service as President of the NTMWD Board from 2017-2018, adding that he has in the past also served as Secretary and Vice-President. Director Thurmond was presented with an award recognizing him for his service.

Director Thurmond left following this item and was not present for the remainder of the meeting.

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

President Sweeden reviewed the February 2019 Board/Committee meeting and events schedule as follows:

- February 2019 Schedule
 - February 14, 2019
 - Executive Committee at 11:30 a.m.
 - Finance/Audit Committee at 1:00 p.m.
 - February 15, 2019
 - Water Treatment Plant Tour at 1:30 p.m.
 - February 28, 2019
 - Board Luncheon at 11:30 a.m.
 - Solid Waste Committee at 12:30 p.m.
 - Water Committee at 1:30 p.m.
 - Work Session at 3:00 p.m.
 - Regular Board Meeting at 4:00 p.m.

President Sweeden noted that the following documents were included in Board member's folders:

- Board Action Summary
- Director's Logo Shirts (and invoices for those that ordered more than one District shirt)
- Glossary of Terms

President John Sweeden announced that Director Larry Parks will abstain from voting on Agenda Items X.M., N., and O.

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 as follows:

Executive Director Kula noted the following:

- Maps of Bois d'Arc Lake zoning map and future land use are available upon request.

- Engineering Activity Report and Construction Progress Report are now included in the Board packet (and FileCloud).
- Introduced new Training and Development Manager, Steve Rummel. Executive Director Tom Kula stated the Steve comes from Raytheon and he is also a 22-year Air Force veteran. Steve will provide training on safety, leadership and ethics.
- Meeting with Member City Managers on 1/27/2019- The following information will be covered in the meeting:
 - PUC Rate Case Status
 - Temporary Disinfectant

VIII. UPDATE ON TEMPORARY CHANGE IN DISINFECTANT (ANNUAL MAINTENANCE)

Watershed Protection Manager Galen Roberts presented this item. He reviewed highlights of the 2018 Free Chlorine Maintenance Period, recent water quality events, and the 2018 Texas Commission on Environmental Quality (TCEQ) investigation and findings. He reviewed the Scopes of Work included in recent studies performed by CDM Smith, Carollo Engineering, and Freese and Nichols, Inc., and the findings of those studies. It was noted that findings are consistent with the TCEQ report. Mr. Roberts further explained the theory regarding the complaints during the 2018 Free Chlorine Maintenance Period, adding that any odor or taste issues were not harmful. For 2019 NTMWD staff members are working to coordinate with Member Cities to educate the public and minimize any potential taste or odor issues. Best Practices have been established for use during the temporary change in disinfectant for 2019, including additional sampling.

Public Relations and Communications Officer Janet Rummel advised that more information on this annual process is available on the NTMWD website under the Water Quality section. She also said that the February 15, 2019 Water Treatment Plant tour for city officials will focus on water quality.

IX. CONSENT AGENDA ITEMS

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

- A. Consider approval of Board of Directors Regular Meeting Minutes – December 20, 2018
(Please refer to Consent Agenda Item No. 19-01-01)
- B. Consider approval of Board of Directors Special Meeting Minutes – December 20, 2018
(Please refer to Consent Agenda Item No. 19-01-02)
- C. Consider approval of Monthly Construction Report – December 2018
(Please refer to Consent Agenda Item No. 19-01-03)

X. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Consider authorizing acceptance of Annual Audit Report included in the Comprehensive Annual Financial Report for fiscal year 2017-2018 prepared by Weaver and Tidwell, LLP
(Please refer to Administrative Memorandum No. 5322)
Director Phil Dyer told the Board members that this item was reviewed and approved on January 24, 2019, by the Finance/Audit Committee.

Upon the recommendation of the Finance/Audit Committee, a motion by Director Phil Dyer and a second by Director Joe Farmer, the Board of Directors voted unanimously to authorize the acceptance of the 2017-18 Annual Audit Report included in the Comprehensive Annual Financial Report (CAFR) as presented.

- B. Consider authorizing appointment of Weaver and Tidwell, LLP, as auditors for fiscal year 2018-2019 in the amount of \$127,000
(Please refer to Administrative Memorandum No. 5323)

Director Phil Dyer told the Board members that this item was reviewed and approved on December 6, 2018 by the Finance/Audit Committee.

Upon the recommendation of the Finance/Audit Committee, a motion by Director Phil Dyer and a second by Director Richard Peasley, the Board of Directors voted unanimously to authorize appointment of Weaver and Tidwell, LLP, as auditors for fiscal year 2018-2019.

- C. Consider authorizing amendment to NTMWD Board Policies Manual revising Section IX. Board of Directors Meeting Agenda
(Please refer to Administrative Memorandum No. 5324)

Director Marvin Fuller advised that this item was reviewed on January 10, 2019 by the Policy Committee. Terminology was incorporated into Section IX. to better define the scope and nature of change orders. In addition, referenced engineering reports are being added to the Board packets for easier accessibility and greater transparency.

Upon the recommendation of the Policy Committee a motion was made by Director Marvin Fuller to approve the amendment as presented; motion was seconded by Director Rod Hogan.

Prior to the vote, there was a brief discussion among Board members regarding line item changes not being presented to the Board for approval. It was noted that changes within a fund do not currently require Board approval. President John Sweeden suggested this process could be discussed at a future meeting.

The Board of Directors voted unanimously to approve as presented.

- D. Consider authorizing amendment of NTMWD Conservation Plan; amendment of NTMWD Water Resource and Emergency Management Plan; and amendment of District Policy No. 24, Water Conservation Plan, and Water Resource and Emergency Management Plan
(Please refer to Administrative Memorandum No. 5325)

Director Jack May advised this item was reviewed on January 10, 2019, by the Policy Committee. The Water Committee also reviewed it on January 24, 2019, and voted unanimously to recommend approval as presented.

Prior to the vote, Director Richard Peasley requested that a written explanation be provided to the City of Frisco regarding their comments on the proposed plan amendment.

Upon a recommendation by the Water Committee, a motion by Director Jack May and a second by Director James Kerr, the Board of Directors voted unanimously to approve the amendment as presented.

- E. Consider authorizing execution of inspection services agreement with Mbroh Engineering, Inc., in the amount of \$118,560 for the Wylie Water Treatment Plant Emergency Notification System, Project No. 101-0461-17
(Please refer to Administrative Memorandum No. 5326)

Director James Kerr made a motion to approve as presented; motion was seconded by Director Phil Dyer.

The Board of Directors voted unanimously to approve as presented.

- F. Consider authorizing execution of engineering services agreement with Carollo Engineers in the amount of \$511,984 for preliminary engineering design of the Wylie Water Treatment Plant Biologically Active Filtration, Project No. 101-0390-15
(Please refer to Administrative Memorandum No. 5327)

Director Jack May advised that the Water Committee reviewed this item January 24, 2019 and voted unanimously to authorize execution of this agreement to optimize the implementation of biologically active filtration at the Wylie Water Treatment Plant Complex.

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 approve as presented.

- G. Consider adoption of Resolution No. 19-05 authorizing acquisition of right-of-way in the amount of \$20,000 for the Meter Vault Standardization, Set Point Control Implementation, Phase II, Project No. 101-0338-13
(Please refer to Administrative Memorandum No. 5328)

Director Joe Joplin made a motion to approve; motion was seconded by Director Bill Glass.

Prior to the vote, there was a brief discussion to confirm that the NTMWD owns the property at the Frisco No. 1 delivery point.

The Board of Directors voted unanimously to approve as presented.

- H. Consider authorizing execution of agreement with Fannin County, Texas, concerning policing of the Bois d'Arc Lake project area for the contract term of 10 years with payments over the contract term of \$2,507,500 (Please refer to Administrative Memorandum No. 5329)

Director Jack May told the Board that the Water Committee reviewed this item January 24, 2019 and voted unanimously to approve this agreement and fund two law enforcement personnel with equipment for five years and four personnel for an additional five years and to provide reservoir-related law enforcement infrastructure and equipment.

Upon the recommendation of the Water Committee, a motion by Director Jack May and a second by Director Rod Hogan, the Board of Directors voted unanimously to authorize execution of this agreement as presented.

- I. Consider adoption of Resolution No. 19-01 authorizing execution of agreements for reimbursement of costs for two transmission lines and portions of two substations to provide electric power to Bois d'Arc Lake Raw Water Pump Station and Leonard Water Treatment Plant in the event Rayburn Country Electric Cooperative is not reimbursed from the Public Utility Commission Transmission Cost of Service Program; Project No. 101-0362-14, Bois d'Arc Lake Power Supply (Please refer to Administrative Memorandum No. 5330)

Director Jack May advised that the Water Committee reviewed this item January 24, 2019 and voted unanimously to recommend adoption of Resolution No. 19-01.

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 execution of these agreements.

- J. Consider adoption of Resolution No. 19-02 authorizing the transfer and conveyance of electrical transmission easements and sale of two tracts of land for construction of substations to provide electric power for the Bois d'Arc Lake Raw Water Pump Station and Leonard Water Treatment Plant, Project No. 101-0362-14, Bois d'Arc Lake Power Supply; and authorize execution of all documents and taking all steps necessary to effectuate the conveyance of NTMWD property to Rayburn Country Electric Cooperative, Inc. (Please refer to Administrative Memorandum No. 5331)

Upon a motion by Director Phil Dyer and a second by Director Joe Farmer, the Board of Directors voted unanimously to approve as presented.

- K. Consider adoption of Resolution No. 19-03 authorizing sale of 85.11 acres of property at the Bois d'Arc Lake to prior owners
(Please refer to Administrative Memorandum No. 5332)

Director Jack May advised that the Water Committee reviewed this item January 24, 2019 and voted unanimously to recommend adoption of Resolution No. 19-03.

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 sale of this property.

- L. Consider authorizing execution of Amendment No. 5 to Construction Manager At-Risk Agreement (CMAR) for Partial Guaranteed Maximum Price with Garney Companies, Inc., in the amount of \$8,867,912.55 for CMAR construction services for raw water pipeline right-of-way preparation, Project No. 101-0424-16, Bois d'Arc Lake Raw Water Pipeline
(Please refer to Administrative Memorandum No. 5333)

Director Jack May told the Board that the Water Committee reviewed this item January 24, 2019 and voted unanimously to authorize execution of Amendment No. 5 to the CMAR for partial GMP for pipeline related work and tunneling for the Bois d'Arc Lake Raw Water Pipeline. Executive Director Tom Kula added that this is GMP No. 2 and that it is within the estimated costs.

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 execution of this amendment.

- M. Consider authorizing additional inspection services with Freese and Nichols, Inc., in the amount of \$86,130 for Lower Rowlett Creek and Lower Cottonwood Creek Lift Station Improvements, Project No. 501-0319-13
(Please refer to Administrative Memorandum No. 5334)

President John Sweeden told the Board that Director Larry Parks will abstain from voting on this item.

Upon a motion by Director Bill Glass and a second by Director Richard Peasley, the Board of Directors voted unanimously to approve as presented.

- N. Consider authorizing additional inspection services with Freese and Nichols, Inc., in the amount of \$272,690 for Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase 1, Project No. 301-0328-13
(Please refer to Administrative Memorandum No. 5335)

President John Sweeden told the Board that Director Larry Parks will abstain from voting on this item.

Upon a motion by Director Richard Peasley and a second by Director Joe Farmer, the Board of Directors voted unanimously to approve as presented.

- O. Consider authorizing execution of inspection services agreement with Freese and Nichols, Inc., in the amount of \$232,575 for Beck Branch Parallel Interceptor, Project No. 501-0439-16
(Please refer to Administrative Memorandum No. 5336)

President John Sweeden told the Board that Director Larry Parks will abstain from voting on this item.

Upon a motion by Director Terry Sam Anderson and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to approve as presented.

- P. Consider authorizing right-of-way acquisition program with the budget of \$474,000 and adoption of Resolution No. 19-04 authorizing the use of eminent domain to acquire right-of-way for the Buffalo Creek Parallel Interceptor, Phase I, Project No. 507-0484-17, and delegating authority to initiate condemnation proceedings to the Executive Director
(Please refer to Administrative Memorandum No. 5337)

Director Lynn Shuyler made a motion to approve; motion was seconded by Director James Kerr.

Prior to the vote a Board member asked a question regarding the amount of funding being proposed, voicing concern that it may not be sufficient for the required easements. NTMWD staff clarified the location, adding that 62 acres are needed for permanent easements and 16 acres are needed for temporary easements. Further, it was noted that the line will run parallel to an existing line so the location may have affected the cost of the land. It was noted that if this funding amount is not sufficient staff will bring this item back to the Board for further consideration.

Upon a motion by Director Lynn Shuyler and a second by Director James Kerr, the Board of Directors voted unanimously to approve as presented.

XI. DISCUSSION ITEMS

- A. Update on Pending 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

Item XI. A. 1. was not discussed.

At 5:32 p.m. Board President John Sweeden announced that an Executive Session of the Board of Directors was being called in order to discuss Agenda Items XI. B. in a closed session pursuant to Section 551.072 of the Texas Government Code regarding Real Property.

B. Update on FM 2551 Expansion/Impact to NTMWD Facilities

Open Session reconvened at 5:45 p.m. No action was taken as a result of Executive Session.

C. Review of Items for Follow Up Raised During Meeting

President Sweeden recapped some items mentioned during the Board meeting that may require follow up as follows:

- How to handle line item transfers in the budget.
- Response letter to City of Frisco regarding input provided related to amendment of the Water Resource and Emergency Management Plan
- Provide summary of PUC money spent in a memorandum; staff advised that this information is currently provided in the Board memorandum

Executive Director Kula advised the April Board Meeting will be held at the John Bunker Sands Wetland Center in Seagoville, Texas.

Director Shuyler stated that he likes the committee meeting set up today (moved to Board meeting room.)

Director May shared that he felt the committee meetings were rushed today and he is not comfortable with that. He asked if anyone would like to start the meetings earlier.

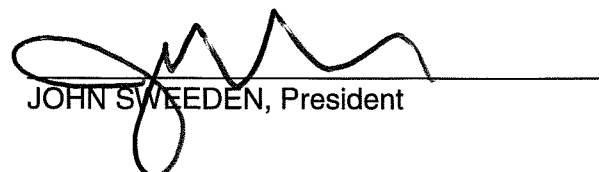
D. Opportunity for Board Members to Request Potential Future Agenda Items
(No substantive discussion of items will take place at this time)

Director John Carr requested a Cost of Service discussion; Executive Director Kula advised this is scheduled for the Executive Committee in February.

XII. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 5:50 p.m. The next regular meeting of the NTMWD Board of Directors will be held Thursday, February 28, 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)

