



NORTH TEXAS MUNICIPAL WATER DISTRICT

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**WATER COMMITTEE MEETING MINUTES
MAY 30, 2019**

I. CALL TO ORDER

Chairman Jack May called the meeting of the North Texas Municipal Water District (NTMWD) Water Committee to order at 2:51 p.m. on Thursday, May 30, 2019, at the NTMWD Administrative Offices, Wylie, Texas.

Water Committee members present included Chairman Jack May, Directors Phil Dyer, David Island (arrived 3:14 p.m.), Joe Joplin, and Lynn Shuyler. Director Darrell Grooms was absent. A quorum of the Water Committee was present. Any reference to unanimous votes refers to a unanimous vote of the Committee members present.

Members of the Executive Committee were present as well as other Board members. Mark Walsh with Saunders Walsh & Beard was present. Deputy Director Joe Stankiewicz along with other members of the NTMWD management team were in attendance.

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 Water System, Watershed Protection, and Water Conservation

Assistant Deputy Billy George advised that the weekly update includes a link to a draft of the Texas by Nature promotional video recognizing the East Fork Water Reuse project as a recipient of a Conservation Wrangler Award.

Mr. George stated that monthly Bois d'Arc Lake (BDL) updates will be presented to the Fannin County Commissioners Court beginning in June.

Mr. George provided a brief update on the BDL Shoreline Management Plan. He also reminded Committee members that the American Waterworks Association Annual Convention will be the week of June 10th. He also noted that, on June 14th, the North Central Council of Governments will hold the annual General Assembly which includes the announcement of the 2019 Celebrating Leadership in

Development Excellence (CLIDE) Award. Staff nominated BDL for a CLIDE Award this year.

Assistant Deputy Jim Shirley advised the Committee members that new microphones are in place and reviewed proper use.

III. ACTION ITEMS

- A. Consider approval of Water Committee meeting minutes – March 28, 2019

On a motion to approve by Director Lynn Shuyler and a second by Director Joe Joplin, the Water Committee voted unanimously to approve.

- B. Consider approval of Water Committee meeting minutes – April 11, 2019

On a motion to approve by Director Phil Dyer and a second by Director Lynn Shuyler, the Water Committee voted unanimously to approve.

- C. **TABLED ITEM:** Consider recommendation on authorizing execution of engineering services agreement with Hazen and Sawyer, Inc., for the Wylie Water Treatment Plant II Ferric Sulfate Storage and Feed Facility Improvements

Deputy Director Joe Stankiewicz reminded Committee members that at the April Board meeting this item was not ready for presentation so it was tabled. He continued by saying that since that time a new approach was developed so staff is recommending that this item not be taken to the Board of Directors.

Upon a motion by Director Phil Dyer and a second by Director Lynn Shuyler, the item was removed from the table. No action was taken by the Water Committee on the item.

- D. Consider recommendation on authorizing Amendment No. 13 to the Construction Manager At-Risk (CMAR) Agreement with Archer Western Construction, LLC, on Project No. 101-0344-13, Bois d'Arc Lake Dam and Intake Structure, establishing a partial guaranteed maximum price (GMP) of \$44,687,897.67 for construction of the terminal storage reservoir and allocate additional funding in that amount; establishing the final GMP for the entire CMAR 1 project scope in the amount of \$216,714,595.64; set the CMAR's substantial completion deadline to December 15, 2020 and set the final completion deadline to May 30, 2021; and set liquidated damages to \$4,000 per day from substantial completion and \$2,500 per day from final completion
(Please refer to Administrative Memorandum No. 5414)

Assistant Deputy Cesar Baptista provided background and details of this item. Specifically, he advised that: 1) inclusion of 3,000 linear feet of pipeline that was originally to be included in the raw water pipeline project, and 2) an increase in depth of the terminal storage reservoir at the Leonard Water Treatment Plant, which will eliminate a future planned pump station at Lake Texoma, are major contributors in increasing the cost of this project by approximately \$14,000,000. Mr. Baptista reviewed the methodology used in the selection of the contractors.

Additionally, this agenda item establishes the Final Guaranteed Maximum Price (GMP) for the entire CMAR 1 Project Scope, sets the substantial completion date, and the final completion deadline. Liquidated damages were reviewed.

Upon a motion by Director Lynn Shuyler and a second by Director Phil Dyer, the Water Committee voted unanimously to recommend approval to the Board of Directors.

- E. Consider recommendation on authorizing execution of a post-termination, final payment, and release agreement and authorization to issue final payment to Ratcliff Constructors, LP, in the final payment amount of \$181,974.95 and (\$9,795,025.05) credit for termination of contract, on Project No. 101-0352-14, Wylie Water Treatment Plant Water System Operations Center
(Please refer to Administrative Memorandum No. 5416)

Cesar Baptista briefly reminded Committee members of the background and circumstances related to this item. He explained that the purpose of this requested action is to close out the previously-awarded Water Operations Center construction contract and resolve outstanding claims by the contractor. He stated that a request for Board authorization to award a new construction contract is scheduled for the June Board meeting.

Upon a motion by Director Phil Dyer and a second by Director Lynn Shuyler, the Water Committee voted unanimously to recommend approval to the Board of Directors.

- F. Consider recommendation authorizing execution of engineering services agreement with Kimley-Horn and Associates, Inc., in the amount of \$252,000 on Project No. 101-0427-16, Kaufman 20-Inch Waterline Assessment, Phase II
(Please refer to Administrative Memorandum No. 5407)

Engineering Manager Jeff Ray advised the Committee that this item is for completing the assessment for a total of 79,000 linear feet of 20" pipe that was constructed in 1974. This pipeline is the sole treated water supply for the city of Kaufman. Phase I, completed in 2018, replaced combination air valves and inspected 55,000 feet of the pipeline. That inspection revealed seven (7) damaged sections that require repair. This request (Phase II) will repair those seven (7) sections and install access points (manholes) to facilitate inspection of the remaining 24,000 linear feet. The planning construction level is estimated at \$1,600,000.

Upon a motion by Director Lynn Shuyler and second by Director Joe Joplin, the Water Committee voted unanimously to recommend approval to the Board of Directors. Director Phil Dyer abstained from voting on this item.

- G. Consider recommendation on authorizing execution of engineering services agreement with Halff Associates, Inc., in the amount of \$315,800 for preliminary engineering design on Project No. 101-0519-18, North Garland Pipelines Condition Assessment
(Please refer to Administrative Memorandum No. 5403)

Engineering Manager Jeff Ray explained that the North Garland Pipeline physical assessment is underway, and this agenda item is to add the task of evaluating hydraulic performance under various operating conditions.

Upon a motion by Director Lynn Shuyler and a second by Director Phil Dyer, the Water Committee voted unanimously to recommend approval to the Board of Directors.

- H. Consider recommendation on authorizing award of construction contract with Canary Construction, Inc., in the amount of \$3,680,919 on Project No. 101-0467-17, South System Air Valve Improvements, Phase II
(Please refer to Administrative Memorandum No. 5406)

Jeff Ray explained that this item is to replace air valve assemblies in order to be in compliance with Texas Commission on Environmental Quality (TCEQ) current regulations. Phase I of this project is underway currently. Mr. Ray reviewed a map depicting the locations.

Director May asked for a status update on the overall air valve replacement effort. Mr. Baptista responded by informing the Committee that the east transmission system has been fully awarded, that this project completes the south transmission system and that the north transmission system remains to be awarded.

Upon a motion by Director Phil Dyer and a second by Director Joe Joplin, the Water Committee voted unanimously to recommend approval to the Board of Directors.

- I. Consider recommendation on authorizing award of construction contract with McKee Utility Contractors, Inc., in the amount of \$6,279,290 on Project No. 101-0462-17, Renner Road to Plano Delivery Point No. 2 Pipeline
(Please refer to Administrative Memorandum No. 5405)

Mr. Ray explained that this is for construction of a parallel pipeline to facilitate water delivery from Shiloh Road Pump Station in Richardson. The 8,000 linear feet of pipe includes isolation valves, air valves, and cathodic protection. The Engineer's estimate for this project was \$6,000,000. He noted that five (5) bids were received and the award amount is \$6,279,290.

Upon a motion by Director Phil Dyer and a second by Director Lynn Shuyler, the Water Committee voted unanimously to recommend approval to the Board of Directors.

- J. Consider recommendation on adoption of Resolution No. 19-29 authorizing use of competitive sealed proposal procurement method under Texas Government Code, Chapter 2269, for the Wylie Water Treatment Plant IV Filter Gallery Wall Structural Evaluation, Project No. 101-0422-16
(Please refer to Administrative Memorandum No. 5404)

Jeff Ray explained that this request is to authorize use of competitive sealed proposal procurement for the Wylie Water Treatment Plant IV Filter Gallery Wall Structural Evaluation, Project No. 101-0422-16. This method allows for contractor

selection based on qualifications rather than low bid alone, and is appropriate for highly complex projects like the structural repairs needed at Plant IV. A “weighted” evaluation of the contractors will be utilized. Staff is recommending this due to the complexity of the repair methods. Multiple shutdowns and mobilization across multiple years will be required in order to maintain critical plant operations. Contractor qualifications and experience will be critical for a successful project.

Upon a motion by Director Joe Joplin and a second by Director Phil Dyer, the Water Committee voted unanimously to recommend approval to the Board of Directors.

IV. DISCUSSION ITEMS

A. Cost of Service projection

Assistant Deputy Erik Felthous presented the cost of service assumptions and projections for upcoming years. He advised that staff is evaluating the option of deferring future capital projects, where appropriate, in order to reduce debt issuance in future years. In addition, he noted that SWIFT funding may be utilized in the future to lower the cost of borrowing in some instances. He reviewed the methodology used to determine the budget.

Mr. Felthous also reviewed that support costs will be phased in over a 5-year period in order to reduce the financial impact.

B. Preliminary budget and personnel requests

A 5-year projection of personnel needs was presented, including details of positions and associated costs. Mr. Felthous included a cost breakdown of new personnel requested as well as adjustments and benefits for current employees. A Committee member requested more background information on the personnel needed. Director Dyer requested additional information on personnel budget cost increases.

Significant items for the FY19 and FY20 were reviewed for the Regional Water System. The water rate for FY20 budget was presented and expenses by category were reviewed. Lastly, Mr. Felthous reviewed FY20 Bond Issues that staff may propose (Regional Water System Revenue Bonds- SWIFT and Non-SWIFT.)

C. Regulatory update

This item not discussed due to time constraints.

D. Opportunity for Committee members to provide feedback on Water Committee meeting

There were no comments.

E. Opportunity for Committee members to request potential future agenda items **(No substantive discussion of items will take place at this time)**

There were no requests.

V. ADJOURNMENT

There being no further business, the meeting of the Water Committee adjourned at 4:00 p.m.

APPROVED:



JACK MAY
Chairman