



NORTH TEXAS MUNICIPAL WATER DISTRICT

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MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS MAY 30, 2019

The North Texas Municipal Water District (NTMWD) Board of Directors met in regular meeting on Thursday, May 30, 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 4:15 p.m.

II. INVOCATION

Director Lynn Shuyler 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

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	

13	Johnson, Blair	
14	Joplin, Joe	
15	Kerr, James	
16	Lofland, Bill	Absent
17	May, Jack	
18	McKissick, Charles	
19	Murphy, John	Absent
20	Parks, Larry	
21	Patrick, Brenda Jean	
22	Peasley, Richard	
23	Shuyler, Lynn	
24	Sweeden, John	
25	Vacant- Wylie	

The following NTMWD legal and financial consultants attended the meeting:

Lauren Kalisek – Lloyd Gosselink Rochelle & Townsend
Lewis Isaacks and Mark Walsh – Saunders Walsh & Beard
Molly Carson and Alan Raynor – McCall Parkhurst & Horton
David Medanich - Hilltop Securities

VI. PUBLIC COMMENTS

Mr. Justin Jinright addressed the Board of Directors and expressed his disagreement with the manner in which the NTMWD obtains easements and its assertion of the defense of sovereign immunity in legal proceedings.

VII. OPENING REMARKS

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

At this time Deputy Director Mike Rickman recognized the NTMWD's Fleet Department for receiving the National Association of Fleet Management (NAFA) Award, for being No. 80 in the Top 100 Public Fleets in North and South America. NAFA is the world's largest not-for-profit membership association for individuals who manage the vehicular fleet for their employers. Mr. Rickman congratulated Fleet Maintenance Shop Supervisor Ronnie Duer and Fleet Manager Jeff Bond.

Assistant Deputy Jenna Covington recognized Justin Diviney who was honored with the Water Environment Association of Texas Sidney L. Allison Award. This award is a distinguished award which recognizes an individual who has made a significant contribution to engineering, science and/or maintenance of wastewater collection and pumping stations. Justin has been with the District since 2017 and oversees implementation of the CMOM (capacity, management, operations, and maintenance) program.

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

President Sweeden welcomed new Director Brenda Jean Patrick. Director Patrick was appointed by the City of Mesquite on May 20, 2019, to complete the term vacated by David Paschall as well as the new term through 2021. Director Patrick

provides independent consultant services as a “Customer Care Teacher” including training for businesses, educational organizations and governmental entities. She also previously served as a Master Consultant with the Region 10 Education Service Center.

President Sweeden reviewed the proposed June Board/Committee meeting schedule as follows:

- June 9-12, 2019 – American Water Works Association Conference, Denver, Colorado
 - Directors Farmer, Kerr, Johnson, Joplin, and Peasley attending
- Wednesday, June 12, 2019
 - Executive Committee members suggested moving meetings to second Wednesday of month (rather than Thursday)
 - 11:30 a.m. – Executive Committee
 - 1:00 p.m. – Legislative Committee
 - 2:00 p.m. – Finance/Audit Committee
- Thursday, June 13, 2019 (tentative date)
 - 9:30 a.m. – Live-streamed Broadcast of Public Utility Commission Meeting at NTMWD’s offices
- Friday, June 14, 2019
 - Wylie Water Treatment Plant Tour
- Tuesday, June 25, 2019
 - 1:00 p.m. – New Director Orientation
- Thursday, June 27, 2019
 - 12:00 p.m. – Board of Directors Luncheon
 - 1:00 p.m. – Water Committee Meeting
 - 2:00 p.m. – Budget Work Session
 - 4:00 p.m. – Regular Board Meeting
- Tuesday, July 16, 2019
 - 8:00 a.m. – Board Member Tour of Bois d’Arc Lake

Executive Director Tom Kula’s wedding will take place June 1, 2019, and he is out of the office until June 17, 2019. President Sweeden asked that the Executive Director’s performance review forms be submitted by June 1st.

Director Larry Parks will be abstaining from voting on VIII. Consent Agenda Items. Director Phil Dyer will be abstaining from voting on IX. H.

- 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

Training and Development Manager Steve Rummel updated the Board of Directors regarding new training programs for employees. In addition, he announced that the District will be working with Collin College and Wylie Independent School District to provide more training programs for skilled workers. A grant application for this program has been submitted.

Public Relations and Communications Officer Janel Rummel briefed the Board of Directors regarding plans for new signage for the Administration building. She

presented some conceptual depictions for the exterior, entrance, lobby walls, Board room, Committee room, and break room. She noted that the designs are not finalized yet. She is currently seeking estimates on costs and the plan is to phase in the signage in the various locations.

VIII. CONSENT AGENDA ITEMS

Director Larry Parks abstained from voting on the Consent Agenda items.

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

- A. Consider approval of Board of Directors Regular Meeting Minutes – April 25, 2019
(Please refer to Consent Agenda Item No. 19-05-01)
- B. Consider approval of Board of Directors Special Meeting Minutes – April 25, 2019
(Please refer to Consent Agenda Item No. 19-05-02)
- C. Consider approval of Monthly Construction Report – May 2019
(Please refer to Consent Agenda Item No. 19-05-03)
- D. Consider authorizing additional legal services with Saunders, Walsh & Beard in the amount of \$50,000 on Project No. 101-0374-14, Bois d’Arc Lake Program Management
(Please refer to Consent Agenda Item No. 19-05-04)
- E. Consider authorizing additional program management services with Freese and Nichols, Inc., in the amount of \$230,000 on Project No. 101-0374-14, Bois d’Arc Lake Program Management
(Please refer to Consent Agenda Item No. 19-05-05)
- F. Consider authorizing legal services with Saunders, Walsh & Beard in the amount of \$10,000 for Project No. 101-0352-14, Wylie Water Treatment Plant Water System Operations Center
(Please refer to Consent Agenda Item No. 19-05-06)
- G. Consider adoption of Resolution No. 19-25 for conveyance of property at McKinney Lift Station in the form of a 0.161 acre permanent easement to Oncor Electric Delivery Company, LLC, Project No. 501-0502-18
(Please refer to Consent Agenda Item No. 19-05-07)

IX. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

GENERAL/ADMINISTRATIVE SERVICES AGENDA ITEMS

- A. Consider adoption of Resolution No. 19-27 commending Director Bill Lofland for 21 years of service as a member of the NTMWD Board of Directors

President Sweeden recognized outgoing Director Bill Lofland for 21 years of service to the NTMWD. He read a resolution that will be presented to Director Lofland at a later date. He could not attend today due to a previously planned trip to Italy.

Upon a motion to adopt Resolution No. 19-27 by Director Larry Parks and a second by Director Joe Farmer, the Board of Directors voted unanimously to approve.

B. Consider election of officers for Board of Directors in 2019-2020

Director Terry Sam Anderson stated that the Nominating Committee met on May 9, 2019, and is recommending the following slate of officers:

- o Don Gordon – President
- o Larry Parks – Vice President
- o Darrell Grooms – Secretary

President Sweeden opened the floor for any other nominations and there were none.

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

C. Consider adoption of Resolution No. 19-28 commending Director John Sweeden for service as President of the NTMWD Board of Directors

Vice President Don Gordon read a resolution recognizing Director John Sweeden for his dedication and service as President of the Board of Directors from June 1, 2018, through May 30, 2019, and presented it to President Sweeden. He was also presented with a plaque of appreciation. Director Sweeden offered comments of appreciation to the NTMWD staff, legal advisors, various Board members and others.

Upon a motion to adopt Resolution No. 19-28 by Director Charles McKissick and a second by Director Phil Dyer, the Board of Directors voted unanimously to approve.

WATER SYSTEM AGENDA ITEMS

D. Consider authorizing execution of engineering services agreement with Half 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)

Director Jack May stated the Water Committee reviewed this item earlier today and voted unanimously to recommend the Board of Directors authorize execution of the engineering services agreement as presented.

Upon a motion by Director Jack May and a second by Director Joe Joplin, the Board of Directors voted unanimously to approve.

E. Consider 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)

Director Jack May stated the Water Committee reviewed this item earlier today and voted unanimously to recommend the Board of Directors authorize use of competitive sealed proposal procurement method under Texas Government Code, Chapter 2269 as presented.

Upon a motion to adopt Resolution 19-29 by Director Jack May and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to approve.

- F. Consider 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)

Director Jack May stated the Water Committee reviewed this item earlier today and voted unanimously to recommend the Board of Directors authorize award of the construction contract as presented.

Upon a motion by Director Jack May and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to approve.

- G. Consider 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)

Director Jack May stated the Water Committee reviewed this item earlier today and voted unanimously to recommend the Board of Directors authorize award of the construction contract as presented.

Upon a motion by Director Jack May and a second by Director James Kerr, the Board of Directors voted unanimously to approve.

- H. Consider 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)

Director Jack May stated the Water Committee reviewed this item earlier today and voted unanimously to recommend the Board of Directors authorize execution of the engineering services agreement as presented.

Upon a motion by Director Jack May and a second by Director Lynn Shuyler, the Board of Directors voted unanimously to approve. Director Phil Dyer abstained from voting on this item.

- I. Consider 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)

Director Jack May advised that the Water Committee reviewed this item earlier today and voted unanimously to recommend the Board of Directors authorize execution of the post-termination, final payment, and release agreement and authorization to issue final payment as presented.

Upon a motion by Director Jack May and a second by Director Rod Hogan, the Board of Directors voted unanimously to approve.

WASTEWATER SYSTEM AGENDA ITEMS

- J. Consider authorizing award of construction contract with Mart, Inc., in the total amount of \$4,875,000 on Project No. 301-0499-18, Wilson Creek Regional Wastewater Treatment Plant Maintenance Facility and Solids Operation Facility, and Project No. 501-0522-18, Upper East Fork Interceptor System Storage and Parking Facilities
(Please refer to Administrative Memorandum No. 5408)

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

- K. Consider authorizing execution of inspection services agreement with Dietz Engineering, in the total amount of \$274,571 for inspection services on Project No. 301-0499-18, Wilson Creek Regional Wastewater Treatment Plant Maintenance Facility and Solids Operations Facility, and Project No. 501-0522-18, Upper East Fork Interceptor System Storage and Parking Facilities
(Please refer to Administrative Memorandum No. 5409)

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

- L. Consider authorizing award of construction contract with Eagle Contracting, LP, in the amount of \$14,193,000 for Project No. 301-0432-16, Floyd Branch Regional Wastewater Treatment Plant Process Optimization Improvements
(Please refer to Administrative Memorandum No. 5410)

Director Bill Glass stated the Wastewater Committee reviewed this item earlier today and voted unanimously to recommend the Board of Directors authorize award of the construction contract as presented.

A motion to approve was made by Director Bill Glass. It was seconded by Director Joe Farmer.

Following the motion and prior to the vote, Director May inquired about the value of such an investment for a small plant. Deputy Director Joe Stankiewicz explained that this project consists of two separate plants, one of which was constructed in the 1950's, which is beyond its useful life and is not capable of meeting current permit limits. This project will upgrade the facilities with current technology.

The Board of Directors voted unanimously to approve as presented.

- M. Consider authorizing execution of inspection services agreement with Dietz Engineering in the amount of \$187,480 and authorizing future additional inspection services not exceeding five percent of the current rate through the Monthly Construction Report on Project No. 301-0432-16, Floyd Branch Regional Wastewater Treatment Plant Process Optimization Improvements
(Please refer to Administrative Memorandum No. 5411)

Joe Stankiewicz advised that this agreement is for inspection services for the first year. The project is a multi-year project, and this administrative memorandum includes a recommendation to allow the balance of the additional required funding for inspection to be approved through approval of the monthly construction report, which is on the Consent Agenda.

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

- N. Consider authorizing award of construction contract with Flow-Line Construction, Inc., in the amount of \$408,350 on Project No. 501-0478-17, McKinney and Upper Cottonwood Creek Lift Stations Metering Improvements
(Please refer to Administrative Memorandum No. 5412)

Director Bill Glass stated the Wastewater Committee reviewed this item earlier today and voted unanimously to recommend the Board of Directors authorize award of the construction contract as presented.

Upon a motion by Director Bill Glass and a second by Director Blair Johnson, the Board of Directors voted unanimously to approve.

- O. Consider authorizing execution of Wastewater Regionalization Agreement with East Fork Partners, LLC, for the proposed East Fork Wastewater Treatment Plant located in Weston, Texas
(Please refer to Administrative Memorandum No. 5413)

Director Bill Glass stated the Wastewater Committee reviewed this item today and voted unanimously to recommend the Board of Directors authorize execution of the Wastewater Regionalization Agreement as presented.

Upon a motion by Director Bill Glass and a second by Director Joe Farmer, the Board of Directors voted unanimously to approve.

BOIS D'ARC LAKE AGENDA ITEMS

- P. Consider 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 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)

Director Jack May stated the Water Committee reviewed this item earlier today and voted unanimously to recommend the Board of Directors authorize execution of Amendment No. 13, establishing a partial guaranteed maximum price, establishing the final GMP for the entire CMAR 1 project scope; setting the CMAR's substantial completion and final completion deadlines, and setting liquidated damages for substantial and final completion.

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

- Q. Consider adoption of Resolution No. 19-26 authorizing approval of settlement of pending litigation styled Knight et al v. U.S. Army Corps of Engineers et al, Cause No. 4:18-cv-00352-ALM pending in the U.S. District Court for the Eastern District of Texas
(Please refer to Administrative Memorandum No. 5415)

President Sweeden announced that Item Q. will be discussed during Executive Session and any action regarding it will follow the Executive Session.

Upon returning to Regular Session, the Board of Directors unanimously adopted Resolution No. 19-26 as presented upon a motion by Director John Carr and a second by Director James Kerr.

X. DISCUSSION ITEMS

A. 86th Texas Legislative Session Update

Brian Brooks, Process Improvement Advisor, reviewed the Legislature's actions on bills that pertained to the NTMWD. The bills submitted that would have required the video recording of Board meetings did not pass. One bill regarding seeking damages against contractors passed and another was changed to not impact the District. The legislature passed a law requiring the District to include a line in its budget for all lobbying contracts and services. Lastly, Director Larry Parks was recognized by the House of Representatives for his years of service in the banking industry.

Director Marvin Fuller and Director Jack May expressed that even though the law will not require the video taping of Board meetings, they would like the District to do so.

B. Bois d'Arc Lake Project

1. Construction update

Assistant Deputy Cesar Baptista reviewed the status of the Dam and Terminal Storage Reservoir, Mitigation, the Leonard Water Treatment Plant, the Raw Water Pump Station and the High Service Pump Station. Additionally, he reviewed the county roads and FM 897, the Raw Water Pipeline and the Treated Water Pipeline projects. Construction photos were presented and the financial status of the various components of the project was reviewed.

A slideshow of the Bois d'Arc Lake area showing a progression of the construction work was presented. The slideshow will be available on the District website.

2. Bois d'Arc Lake land acquisition program update

At 5:45 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 X. C. (1-5) in a closed session pursuant to Section 551.071 of the Texas Government Code, Consultation with Attorney; and, to discuss Agenda Item IX. Q. pursuant to Section 551.072 of the Texas Government Code, regarding Real Property.

C. 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. *Petition of the Cities of Garland, Mesquite, Plano, and Richardson Appealing Wholesale Water Rates Implemented by North Texas Municipal Water District, Docket No. 49043 before the Public Utility Commission of Texas*
4. *Ex Parte, North Texas Municipal Water District, Cause No. 429-02251-2018 in the 429th Judicial District, District Court of Collin County, Texas*
5. Facilitation with Member Cities Regarding Alternate Cost Methodologies to the Amendatory Water Supply Contract

Open Session reconvened at 7:18 p.m.

D. Review of items for follow up raised during meeting

No follow up items were discussed.

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

Directors requested the following potential future agenda items:

1. Director Marvin Fuller requested the Board of Directors consider video recording of Board meetings.
2. Director Rod Hogan requested a legal briefing on the Jinright matter (related to the public comments received on this date).
3. Director Jack May requested a briefing on the electrical capacity for the upcoming peak summer period.

XI. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 7:21 p.m. The next regular meeting of the NTMWD Board of Directors will be held Thursday, June 27, 2019 at 4:00 p.m. at the NTMWD Administrative Offices located at 501 E. Brown Street, Wylie, Texas.

APPROVED:



JOHN SWEEDEN, President

ATTEST:



LARRY PARKS, Secretary

(Seal)

