



NORTH TEXAS MUNICIPAL WATER DISTRICT

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EXECUTIVE COMMITTEE MEETING MINUTES JUNE 10, 2020

In accordance with the COVID-19 public health threat and the related March 16, 2020, action by the Office of the Governor, temporarily suspending certain provisions of the Texas Open Meetings Act, NTMWD will hold its meeting by telephonic conference call.

In lieu of physical attendance of the meeting, the public may teleconference in to the meeting by calling toll free (1) (844) 621-3956 and entering the following access code: 928 587 040. Members of the public wishing to make public comment during the meeting should follow the instructions for on-line registration listed under Item II. below no later than the start time of the meeting. The meeting will be recorded and the audio recording will be available on the NTMWD website after the meeting.

President Larry Parks called for a moment of silence for the family of NTMWD employee Joe Anderson.

I. CALL TO ORDER

President Larry Parks called the meeting to order at approximately 11:34 a.m. on Wednesday, June 10, 2020. The meeting was conducted by teleconference.

The following Executive Committee members were present; therefore, a quorum was present.

Executive Committee Members		
1	Parks, Larry (President)	Present
2	Grooms, Darrell (Vice President)	Present
3	Dyer, Phil (Secretary)	Present
4	Gordon, John (Past President)	Present

Other Directors were in attendance along with Interim Executive Director Rodney Rhoades and other members of the NTMWD management team.

The following consultants participated by telephone:

- Lewis Isaacks and Mark Walsh – Saunders, Walsh & Beard
- Lauren Kalisek and James Aldredge– Lloyd Gosselink Rochelle & Townsend

- Kate Norman – Coffin Renner

II. PUBLIC COMMENTS (FOR TELECONFERENCE COMMITTEE MEETINGS ONLY)

INSTRUCTIONS FOR PUBLIC COMMENT ON-LINE REGISTRATION: Prior to the start of the Board meeting, members of the public wishing to provide public comment must submit via email to PublicRelations.Info@ntmwd.com their first and last name, organization, comment topic, mailing address and email address. During the public comment portion of the meeting, speakers will be recognized by name and asked to provide their comments. The time limit is five (5) minutes per speaker, not to exceed a total of thirty (30) minutes for all speakers. The Board may not discuss these items, but may respond with factual or policy information. Public comment is provided for committee meetings held by teleconference during the COVID-19 health threat to confirm the opportunity for two-way communication with the public during the meeting.

There were no requests for public comments.

III. ACTION ITEMS

- A. Consider approval of minutes of Executive Committee meeting – May 13, 2020

On a motion by Director Darrell Grooms and a second by Director Larry Parks, the Executive Committee approved the minutes of May 13, 2020, by unanimous vote.

- B. Discuss and possible action on Board Members requested potential future agenda items

President Parks advised that at the May 28, 2020, regular Board meeting Director John Carr requested a potential future agenda item regarding future water exchange. Director Carr presented his request to the Committee.

Director Carr advised he would like to propose that the Board of Directors consider implementing a “water exchange”. He explained that a commodities exchange be set up to trade water directly between cities. The benefit would be that growing cities can purchase water through the exchange without exceeding their minimum by buying additional needed water from another city with an excess amount of water. Director Carr advised that participating in such an exchange would be completely voluntary, and each would execute a contract to participate in advance of utilizing the exchange. Each exchange would be on a consent agenda for the Board of Directors to approve. The District’s role would be to monitor the exchange board and transmit the water to the purchasing city after the payments are made to the seller(s). Director Carr advised that after a time water consumption will match the minimums for the member cities.

Director Carr proposed a motion to fund a study exploring the impact and lifecycle of the exchange. He said he would like to eventually eliminate the excess water charge, and to possibly be able to provide water to cities outside the District.

President Parks suggested that the matter should be assigned to the Water Committee for further discussion. Director Grooms added that legal counsel needs to evaluate the proposal as well. Interim Executive Director Rhoades advised that staff with work with the attorneys prior to further discussion.

Director Carr withdrew his motion.

IV. DISCUSSION ITEMS

- A. Chairman/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

President Parks advised that all Member Cities except Princeton have made their appointments to the Board of Directors. He also welcomed one new Director from Plano, Mr. Ron Kelley, and said his orientation was scheduled for Wednesday, June 17, 2020.

President Parks advised that he met with staff regarding goals and objectives for the next year. He added that there the weekly and monthly email updates will be replaced with a quarterly update. He also advised that the District is developing a Board of Directors portal that will make access to Board documents, emails, and updates much easier to access. President Parks added that staff is currently working with some Directors on an enrichment program that will be discussed later in this meeting.

Interim Executive Director Rodney Rhoades spoke regarding the sad loss of team member Joe Anderson. He acknowledged District staff for team efforts following the accident. He advised that the District was able to assist Mr. Anderson's family with funeral expenses through the District's Workers Compensation insurance.

- B. Agendas for June 2020 Board meeting and Committee meetings

1. Regular Board meeting

Interim Executive Director Rhoades advised that the Thursday, June 25, 2020, meeting will be at 4:00 p.m. The agenda is still in process.

2. Special Board meeting – Local Government Training

Mr. Rhoades advised that Lauren Kalisek will provide training on Thursday, June 25, 2020, at 3:00 p.m.

3. Personnel Committee meeting

Mr. Rhoades advised this meeting will be held this date at 1:30 p.m. The agenda includes:

- Review and possible action on FY21 new personnel requests

- Discussion of a potential retirement incentive program
- Follow-up responses to questions raised regarding the Compensation and Benefits study, presented during the May 11, 2020, Personnel Committee Meeting

4. Finance/Audit Committee meeting

Mr. Rhoades advised this meeting will be held this date at 3:00 p.m. The agenda includes:

- Review and possible action on Regional Wastewater System Contract Revenue Bonds, Series 2020A
- **Tabled item:** Review and possible action on FY21 new personnel requests
- Discuss Personnel budget update
- Discuss potential retirement incentive program

5. Special Purpose – PUC Issues Committee meeting

Mr. Rhoades advised this meeting will be held Wednesday, June 17, 2020, at 10:30 a.m.

6. Policy Committee meeting

Mr. Rhoades advised this meeting will be held Wednesday, June 17, 2020, at 8:00 a.m. The agenda is still being developed, and tentative agenda items are:

- Review and possible action on amending Board Policy Manual (Standing Committees)
- Discuss potential retirement incentive program
- Discuss issues and legal ramifications identified by Committee members that should be taken up by Policy Committee over the coming year (*to be discussed in Executive Session*)

7. Wastewater Committee meeting

Deputy Director Mike Rickman advised that the Wastewater Committee meeting will be held Wednesday, June 24, 2020 at 1:00 p.m. The agenda is still being developed, and tentative agenda items are:

- Transfer Funds and Ratification of Actions by Executive Director Authorizing Emergency Procurement of Goods and Services to Fund Valve Replacement at Upper Rowlett Lift Stations and Influent Pipe Repair at Upper Cottonwood Lift Stations
- Wilson Creek Lift Station Improvements Bid Tabs/Award of Contract
- Wilson Creek Regional Wastewater Treatment Plant (RWWTP) Advanced Treatment and Headworks Improvements Additional Inspection Services Agreement
- Wilson Creek RWWTP Aeration Basin Improvements Engineering Services Agreement
- Bypass Connection and Phase II Valve Improvements Engineering Services Agreement

- Discuss Indian Creek Mediation
- Present personnel requests and preliminary budget to Operations Committee
- Discuss Regional Wastewater System and Upper East Fork Interceptor System Financial plan projections
- Discuss pretreatment overview and program proposed changes
- Discuss Bond Issue – Regional Wastewater System Bonds

8. Water Committee meeting

Mr. Rickman advised that the Water Committee meeting will be held Wednesday, June 24, 2020 at 2:45 p.m. The agenda is still being developed, and reviewed tentative agenda items are:

- Regional Water System Maintenance Facilities Central Region, Phase II Engineering Services Agreement (ESA)
- Plano West Side Pipeline (to Richardson No. 2 and to Plano No. 3) ESA
- Meter Vault Standardization Set Point Control Phase III Bid Tabulations and Award of Contract
- Texoma to Wylie Raw Water Pipeline Crossing at State Highway 121 Tunnel Casing Extension Change Order
- Trinity River Main Stem Pump Station and Raw Water Pipeline Partial Release of Retainage
- Pipeline Relocations at FM 2478 (Custer Rd) - Additional Funds Request Right-of-Way Acquisition
- Discuss Water Division staffing update
- Discuss Water Division compliance update

C. Operations and Maintenance update

1. Water System update
2. Wastewater System update
3. Solid Waste System update
4. Maintenance update

Staff did not provide an Operations and Maintenance update.

D. Administrative Services update

1. Finance/Budget update

Staff did not provide a Finance/Budget update.

2. Personnel update

Mr. Rhoades advised there is an additional \$11,000 expense for the Executive Director performance evaluation process. He advised that even though this amount is within the authority of the Executive Director to approve, when combined with the original contract amount, the total exceeds the Executive Director's authority.

3. Technology and support update

Deputy Director Jim Shirley reviewed that in December 2019 video equipment was installed and there was a plan in place to have a practice Board meeting and then begin the video recordings with the July meeting. He also advised that in February upgrades and additional equipment was approved and will be installed in the next few weeks. As a result of the COVID-19 pandemic, the practice Board meeting has not been held so staff is recommending delaying the start of video recordings. While a specific date is not recommended at this time, Mr. Shirley suggested a delay of two to four months. Director Grooms agreed.

4. District Policy update

Mr. Rhoades advised that it has been suggested that the Board of Directors consider a possible amendment to the Board Policies Manual related to Standing Committees by creating a "Real Estate" Committee, and by combining the Insurance Committee into the Finance/Audit Committee. Consideration of this amendment to the Board Policy Manual will be on the June 25, 2020, regular Board meeting agenda. Director Grooms noted that since the District has real estate that could be disposed of, selling them could potentially put those properties back on the tax rolls. President Parks added that he would like the District to create a "drone library" in order to be able to view the properties as needed. Director Don Gordon spoke in favor of the Real Estate Committee.

President Parks advised that Director Phil Dyer will chair the Finance/Audit Committee again his year and he has discussed combining the two Committees him. He added that there will be the same number of committees and the Insurance Committee members will be assigned to the other committees. The Policy Committee will review this possible change to the Board Policies Manual at the June 17th meeting and the Board will consider amendment at the June 25th Board meeting.

E. 2020-2021 Board of Directors Standing Committee and Special Purpose Committee Assignments

President Parks advised that after a historical review of Committee assignments and considering items the Board of Directors will be discussing over the next year, he made the following Standing Committee assignments:

WATER COMMITTEE- Jack May, Chairman; Terry Sam Anderson; Joe Farmer; Marvin Fuller; Chip Imrie; Joe Joplin; and Keith Stephens

WASTEWATER COMMITTEE - Richard Peasley, Chairman; John Carr; David Hollifield; James Kerr; George Crump; John Murphy; and Princeton – Vacant

SOLID WASTE COMMITTEE - Blair Johnson, Chairman; Brenda Jean Patrick; Ron Kelley; Charles McKissick; Lynn Shuyler; John Sweeden; Princeton – Vacant

FINANCE/AUDIT COMMITTEE- (Subject to Board approval add Insurance/ Risk Management to Committee) - Phil Dyer, Chairman; John Carr; George Crump; Marvin Fuller; David Hollifield; Chip Imrie; James Kerr; John Sweeden; and Princeton – Vacant

PERSONNEL - Chip Imrie, Chairman; Terry Sam Anderson; Joe Farmer; Joe Joplin; Brenda Jean Patrick; Ron Kelley; Jack May; Princeton – Vacant

REAL ESTATE COMMITTEE (Subject to Board approval) - Charles McKissick, Chairman; Terry Sam Anderson; George Crump; Marvin Fuller; Don Gordon; Darrell Grooms; David Hollifield; Blair Johnson

LEGISLATIVE - Marvin Fuller, Chairman; George Crump; Joe Farmer; Charles McKissick; John Murphy; Richard Peasley; Lynn Shuyler; Keith Stephens

POLICY - Larry Parks, Chairman; Jack May; Richard Peasley; Blair Johnson; Phil Dyer; Chip Imrie; Charles McKissick; Marvin Fuller

WILSON CREEK OVERSIGHT COMMITTEE - Jack May, Chairman

JOHN BUNKER SANDS WETLAND CENTER BOARD OF DIRECTORS - Terry Sam Anderson; Don Gordon; Executive Director/Executive Director Alternate; Joe Farmer, Board Member Emeritus

SPECIAL PURPOSE COMMITTEE – PUC ISSUES - Joe Joplin, Chairman; Chip Imrie; Brenda Jean Patrick; Lynn Shuyler; John Sweeden

OTHER - OKLAHOMA BOUNDARY COMMISSION REPRESENTATIVE - Marvin Fuller

F. Board of Directors Enrichment Program

President Parks advised that Director Brenda Jean Patrick has been working with Steve Rummel, NTMWD's Training Manager to develop this program. He expressed appreciation for the time they have both put into this program.

Steve Rummel advised the Committee members that the plan is currently a draft. He added that part of his job duties is to provide training to Board members. Director Grooms stated that the training will be voluntary and will be held eight months of the year. He suggested that the District should bring in outside trainers to provide the Board Members training on their roles and responsibilities. He said the plan is to also use this program to recognize employees for outstanding efforts. President Parks added that he would like to schedule a workshop for late October.

G. Engineering and Capital Improvement Plan (CIP) update

1. Engineering update

Deputy Director Cesar Baptista advised that the Main Stem Pump Station Project was recently recognized as the Texas American Public Works Project of The Year, noting that this recognition is quite an accomplishment for the District.

Mr. Baptista provided an update on outsourced inspection services projects. He said that in the future, when construction contracts are awarded, the administrative memorandum will include the entire cost including construction and inspection services cost. Mr. Baptista told the Committee that currently there are 55 construction projects at various levels of completion. There are 30 inspectors on staff and an additional 24 inspectors are outsourced. He advised that by the end of 2020 the capital improvement projects will be fewer so it is expected that the percentage of outsourced inspectors will be considerably lower.

a. Update on power service agreement with Farmer's Electric Cooperative for Tawakoni Water Treatment Plant

Assistant Deputy R.J. Muraski advised that the only source for power at the Tawakoni plant is Farmer's Electric Cooperative. Energy Manager Scott Puckett has renegotiated tariffs in the new agreement. He presented a map with the location of the plant and details of the agreement. It was noted that the original agreement with Farmer's Electric Cooperative was entered into ten years ago. The new agreement will have no contributions from the District, and the minimum demand charge has been restructured. Mr. Rhoades advised that the Executive Director has the authority to sign this agreement but given the timeframe to do so, felt it prudent to inform the Committee. He added that he will brief the full Board at the June 25th meeting.

b. Update on Bois d'Arc Lake project

1. Construction update

Reservoir Project Manager Steve Long will present this at the Board meeting.

2. Bois d'Arc Lake land acquisition program

Staff did not provide a land acquisition program.

2. CIP/Planning update

Staff did not provide a CIP/Planning update.

H. Legislative update

Government Relations Advisor David Kelly provided an update on the Texoma Boundary issue. Mr. Kelly stated that in March the Oklahoma legislation to form a boundary committee was close to passing. The COVID-19 pandemic situation caused a gridlock, so this legislation was not able to be considered. Mr. Kelly advised that there is a good chance of the legislation passing next year.

At 12:49 p.m. President Larry Parks declared the need for an Executive Session of the Executive Committee to discuss Agenda Item Nos. IV. I. (1-2); J. (1-2); and K., and L. on the agenda pursuant to Texas Government Code, Section 551.071, Consultation with Attorney; and to discuss Agenda Item No. IV. L. pursuant to Texas Government Code, Section 551.071 Consultation with Attorney and Section 551.074, Personnel.

- I. Discuss status of Member City contract matters including:
1. *Petitions of the Cities of Garland, Mesquite, Plano and Richardson Appealing Wholesale Water Rates Implemented by North Texas Municipal Water District*, Docket Nos. 46662, 47863, 49043, and 50382 before the Public Utility Commission of Texas
 2. Facilitation with Member Cities regarding alternate cost methodologies to the Amendatory Water Supply Contract

These items were discussed in Executive Session as noted above.

- J. Update on litigation involving North Texas Municipal Water District/advice from legal counsel, including:
1. North Texas Municipal Water District v. S.J. Louis Construction of Texas, Ltd., ACT Pipe and Supply, Inc., North American Pipe Corporation, J-M Manufacturing, Inc., d/b/a JM Eagle, Inc., Cause No. 429-06607-2019, 429th Judicial District, Collin County, Texas (121 Force Main)
 2. Mediation results for Upper East Fork Interceptor System Indian Creek Force Main No. 2, Project No. 501-0454-17

These items were discussed in Executive Session as noted above.

- K. Update on accident at Seis Lagos Wastewater Treatment Plant on June 2, 2020

This item was discussed in Executive Session as noted above.

- L. Discuss Executive Director search process

This item was discussed in Executive Session as noted above.

Open Session reconvened at 1:37 p.m. No action was taken in Executive Session.

- M. Opportunity for Committee members to provide feedback on Executive Committee meeting.

No Feedback was provided by Committee members.

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

No potential future agenda items were requested.

V. ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 1:38 p.m. The next meeting of the Executive Committee will be called by the Chairman with proper notification to all members.



APPROVED:

A handwritten signature in cursive script that reads 'Larry Parks'.

LARRY PARKS
President