



## **NORTH TEXAS MUNICIPAL WATER DISTRICT**

**501 E. Brown Street • Wylie, Texas 75098  
(972) 442-5405 – Phone • (972) 295-6440 – Fax**

### **REAL ESTATE COMMITTEE MEETING MINUTES NOVEMBER 17, 2021**

The Presiding Officer will be present at the meeting location, the NTMWD Administrative Offices, 501 E. Brown Street, Wylie, Texas 75098, with two-way video and audio communication between Board members participating by videoconference, establishing a quorum. The public may attend the meeting in person at the meeting location. Audio and video of Board members participating by videoconference will be visible to members of the public in attendance at the meeting location. The meeting will be recorded, and the audio recording will be available on the NTMWD website after the meeting.

Members of the public wishing to listen to live audio from the meeting may do so by calling in at (469) 210-7159 or toll free (844) 621-3956 and entering the following access code: 928 587 040. Please note this line will not provide for two-way communication and public comment at the meeting must be made in person at the meeting location.

#### **I. CALL TO ORDER**

Chairman David Hollifield served as Presiding Officer and called the meeting of the North Texas Municipal Water District (NTMWD) Real Estate Committee to order at approximately 1:00 p.m. on Wednesday, November 17, 2021. The meeting was held with two-way video and audio communication between Board members participating by videoconference, establishing a quorum. General instructions were provided to attendees. Any reference to unanimous votes refers to a unanimous vote of the Committee members present.

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

	<b>Real Estate Committee Members</b>	<b>Attendance</b>
1	Robert Appolito	Absent
2	John Carr	Remote
3	Marvin Fuller	Remote
4	Geralyn Keever	Remote
5	Keith Stephens	Present
6	David Hollifield	Present

Members of the Real Estate Committee were present as well as other Board members. Lewis Isaacks with Saunders, Walsh and Beard and Lauren Kalisek with Lloyd Gosselink Rochelle & Townsend were present via videoconference. Executive Director Jenna Covington along with other members of the NTMWD management team were also in attendance.

II. PUBLIC COMMENTS

Prior to the start of the meeting, speakers must complete and submit a "Public Comment Registration Form." During the public comment portion of the meeting, speakers will be recognized by name and asked to provide their comments. The time limit is three (3) minutes per speaker, not to exceed a total of thirty (30) minutes for all speakers. The Committee may not discuss these items but may respond with factual or policy information.

There were no requests for public comment.

III. OPENING REMARKS

- A. Chairman/Executive Director/Committee Champion Report concerning legislation and regulatory matters, budgets, current projects and ongoing programs of the District related to real estate

Deputy Director Cesar Baptista briefly reviewed today's agenda items.

IV. ACTION ITEMS

- A. Consider approval of Real Estate Committee meeting minutes – September 22, 2021

Upon a motion by Director Geralyn Keever and a second by Director Marvin Fuller, the Real Estate Committee voted unanimously to approve the minutes for September 22, 2021.

At 1:05 p.m. Chairman Hollifield announced the need for an Executive Session of the Real Estate Committee to discuss Item No. IV. B. and Item No. V.A. on the agenda pursuant to Texas Government Code, Section 551.071, Consultation with Attorney, and Section 551.072, Real Property.

- B. **Authorize additional funding for legal services on Treated Water Pipeline from Leonard Water Treatment Plant to McKinney No. 4 project – Administrative Memorandum No. 5778**
- Consider recommendation on authorizing additional funding in the amount of \$2,500,000 with Saunders, Walsh & Beard, Attorneys & Counselors, resulting in the total authorization of \$10,730,500 and adoption of Resolution No. 21-52 authorizing the additional funding of right-of-way for the Treated Water Pipeline from Leonard Water Treatment Plant to McKinney No. 4, Project No. 101-0425-16

V. DISCUSSION ITEMS

A. Update on Buffalo Creek Interceptor

Chairman Hollifield confirmed that the public access line was disconnected.

Open Session was reconvened at 1:27 p.m. No action was taken in Executive Session

IV. ACTION ITEMS- Continued

**B. Authorize additional funding for legal services on Treated Water Pipeline from Leonard Water Treatment Plant to McKinney No. 4 project – Administrative Memorandum No. 5778**

- Consider recommendation on authorizing additional funding in the amount of \$2,500,000 with Saunders, Walsh & Beard, Attorneys & Counselors, resulting in the total authorization of \$10,730,500 and adoption of Resolution No. 21-52 authorizing the additional funding of right-of-way for the Treated Water Pipeline from Leonard Water Treatment Plant to McKinney No. 4, Project No. 101-0425-16

This item was discussed in Executive Session.

Upon a motion by Director Geralyn Keever and a second by Director John Carr, the Real Estate Committee voted unanimously to recommend approval to the Board of Directors

**C. Authorize amendment to previously executed right-of-way acquisition program and adoption of Resolution No. 21-53 authorizing the use of eminent domain to acquire right-of-way for the Wilson Creek Transfer Force Main and delegating authority to initiate condemnation proceedings – Administrative Memorandum No. 5779**

- Consider recommendation on authorizing the Executive Director to amend a right-of-way acquisition program for an additional \$2,000,000 and adoption of Resolution 21-53 authorizing the use of eminent domain to acquire right-of-way for the Wilson Creek Transfer Force Main Project No. 501-0495-18, Wilson Creek Transfer Force Main and delegating authority to in initiate condemnation proceedings

Garrett Murphree, Real Estate Manager, presented this item. He advised this item is to recommend authorizing a resolution for acquisition of easements with the right to install two pipelines for the Wilson Creek Transfer Force Main project and allow the use of eminent domain, if necessary. He explained that the prior Right-of-Way Acquisition Program did not specify the right for two pipelines within the easement. The project now includes installing two pipelines concurrently, so the easement must reflect the right to have two pipelines.

Mr. Murphree reviewed that in March 2020 the Board approved a Right-of- Way Acquisition Program for the Wilson Creek Transfer Force Main Project with a budget of \$3,310,000 for the acquisition of approximately 15.79 acres of

permanent and 3.07 acres of temporary easements. The project was described as a 36-inch force main pipeline with a potential future parallel line. The request did not state the easement was for two pipelines. The project is now for the installation of two 42-inch force mains so the easements will be written for two pipelines. The project now requires the acquisition of approximately 17.00 acres of permanent and 3.78 acres of temporary easements. Additional funding in the amount of \$2,000,000 is being requested due to the increased market values, resulting in a total budget of \$5,310,000. A location map was provided.

A motion to approve was made by Director John Carr and seconded by Director Keith Stephens.

In response to Directors' comments regarding the timing of this request and recalling that a discussion involving two pipelines was held at a Wastewater Committee meeting in 2020, Mr. Murphree responded that the previous request did not explicitly state two pipelines and should condemnation be needed, the easement needs to state two pipelines. Attorney Lewis Isaacks recalled that when it was determined that demands were more significant than originally thought it was determined to upsize the original request from a 36" line and that two pipelines would be needed. Deputy Director Baptista recalled that the original Right-of-Way was for a single pipeline and due to communications with the City of McKinney the current plan is to install both pipelines at the same time so that there would be only one disruption in the area. He advised he would confirm the information and provide it to the Committee Members.

The Real Estate Committee voted unanimously to recommend approval to the Board of Directors.

**D. Adoption of Resolution 21-54 authorizing the conveyance of property to Texas Department of Transportation (TxDOT) on Farm-to-Market Road 545 Road Widening – Administrative Memorandum No. 5780**

- Consider recommendation authorizing the Executive Director to convey 10.2782 acres of land and 0.3277 acres of drainage easements to TxDOT and adoption of Resolution 21-54 a resolution for conveyance of property through condemnation by Texas Department of Transportation, at the 121 Regional Disposal Facility

Deputy Director Jeff Mayfield presented this item. He advised that this item is to recommend adoption of a resolution authorizing the Executive Director to convey easements and parcels of land to Texas Department of Transportation (TxDOT) via condemnation, including acceptance of payment. He explained that TxDOT needs to widen Farm-to-Market Road (FM) 545 located along the south and east portions of North Texas Municipal Water District (NTMWD) owned property in the vicinity of the 121 Regional Disposal Facility (RDF) due to safety concerns associated with the lack of adequate shoulder width. TxDOT must acquire parcels of land as well as drainage easements from NTMWD in order to widen the road.

Mr. Mayfield explained that TxDOT must acquire approximately 10.2782 acres of land for the expansion of FM 545. Of this, 2.5277 acres is in NTMWD's deed restricted property dedicated in perpetuity as a stream mitigation area and wetland

mitigation area per the U.S. Army Corps of Engineers (USACE) Nationwide Permit 39 issued as part of the 121 RDF permitting process. TxDOT is aware that disturbance of the dedicated property may require USACE approval and TxDOT is responsible for any modifications to the deed restriction. TxDOT must also acquire approximately 0.3277 acres of drainage easements for the expansion of FM 545. A location map was provided.

In response to a Director's question, Mr. Mayfield responded that he is unaware of other instances when TxDOT successfully negotiated with USACE regarding comparable properties. He added that TxDOT has stated there will be no disturbance of the mitigation area, only a widening of the roadway.

Upon a motion by Director Geralyn Kever and a second by Director Marvin Fuller, the Real Estate Committee voted unanimously to recommend approval to the Board of Directors.

V. DISCUSSION ITEMS

A. Update on Buffalo Creek Interceptor

This item was discussed in Executive Session

B. Discuss Continued Payment of Property Tax Payments to Fannin County

Attorney Lewis Isaacks presented this item. He reviewed that since 2010 the District began acquiring properties for the Bois d'Arc Lake project. He stated it was important to Fannin County not to lose property taxes during this process, so the District entered into lease agreements with the property owners through 2018. When construction of the lake began taxing entities were made whole by the District continuing to make tax payments, most of which were based on agricultural production. The lease agreements required those tenants who were leasing the properties from the District to reimburse the District for those taxes. Mr. Isaacks advised that once construction began in 2018, and per a 2017 agreement with Fannin County, those leases were terminated, and the properties became exempt from property taxes. At that time, the District paid taxes directly to taxing entities that would cover their losses in tax revenue based on the Fannin County Appraisal District's valuations since 2018. Tax totals for the County and the City of Bonham were provided with the amounts for 2020 still pending.

Mr. Isaacks advised that the District's payments to the school districts were paid for the tax year 2019 based on the Appraisal District's valuations. After the State paid their contributions to the school districts, the actual amount owed was much less than what was originally paid. Mr. Isaacks noted that the school districts involved are small and need the funding paid by the District for 2019, so the District will leave those funds as a credit toward future years. Several Directors spoke favorably on the District's good neighbor policy and in favor of supporting those school districts.

In response to a Director's question, Mr. Isaacks responded that in anticipation of the property around the lake and in the neighboring communities appreciating due

to the Lake development, the 2017 agreement with Fannin County contemplated that the District would cover taxing shortfalls as land values would begin to increase.

Mr. Isaacks advised that the District has engaged Dr. Terry Clower to evaluate changes in Fannin County real estate values to help determine amounts due to local taxing entities under the agreement with Fannin County. The estimates for 2020 are currently under review. Additionally, Randy McDowell has been engaged to analyze impacts on local school districts.

C. Update on City of Wylie Interlocal Agreement for Property Exchange

Garrett Murphree presented this item. He reviewed that the City of Wylie plans to improve Eubanks Lane, along the eastern property boundary of the Wylie Water Treatment Plant. The NTMWD and Wylie entered into an Interlocal Agreement in February 2016 whereby NTMWD agreed to pay 80% of construction costs and also convey up to eight parcels of land for compensation of \$4,000 each. To facilitate construction of Eubanks Lane, Wylie requested that NMTWD convey the four parcels at no cost. In September 2021, the NTMWD Board approved a Right-of-Way Acquisition program with \$120,000 to acquire one easement from Wylie needed for the FM 2514 Pipeline Relocations project. The NTMWD and Wylie would now like to enter into an Interlocal Agreement whereby NTMWD conveys four parcels of land at no cost and Wylie grants a water pipeline easement to NTMWD at no cost.

The proposed Interlocal Agreement would include the following components:

- NTMWD shall grant four parcels to City of Wylie for no cost.
- Wylie would be solely responsible for paying closing costs, if closed through a title company.
- Wylie shall grant a water pipeline easement to NTMWD at no cost.
- NTMWD would meet any requirements for obtaining an easement within Wylie's Park land.

Mr. Murphree summarized that the City of Wylie needs 0.29 acres along Eubanks Lane and the District needs 1.16 acres for the FM 2514 Pipeline Relocations project.

Mr. Murphree advised that the NTMWD and Wylie are working to finalize a draft of the Interlocal Agreement. Wylie will present the property exchange concept to Wylie City Council in November for discussion and a final draft of the Agreement to Council for approval in December. This item is anticipated to be brought to the NTMWD Board for consideration in December. Maps of the properties involved in the proposed land swap were provided.

D. Update on McKinney No. 3 to McKinney No. 4 Pipeline alignment

Garrett Murphree presented this item. He advised this update is in regard to an agenda item planned for the December Board of Directors agenda. Mr. Murphree advised that the Right-of-Way Acquisition Program for the McKinney No. 3 to

McKinney No. 4 Pipeline alignment project was approved in August 2019 with a budget of \$8,750,000. TxDOT announced the final US 380 bypass route, which required redesign of the alignment. The City of McKinney requested that the District delay the design for 6 months in 2019 to 2020 while it conducted an alignment study of Stonebridge Road / Bloomdale Road connections to the current US 380 and future US 380 bypass. McKinney also needed time to confirm Stonebridge Road alignment. Mr. Murphree advised the updated route accommodates the US 380 bypass, expansion of Bloomdale Road, and future Stonebridge Parkway.

Additionally, Mr. Murphree advised that the original Board item did not state the easement would allow for two pipelines, which was a part of the original and current design. He noted that the current market values will be assessed, and the budget will be evaluated for a possible budget increase. Parcels have and are being acquired from McKinney Delivery Point No. 4 to Community Avenue. Mr. Murphree advised that \$3.2 million of the budget is spent or committed for the acquisition of 21 percent of the needed parcels. A map of the current and future pipeline alignment was presented.

- E. Discuss the City of Melissa request for utility easement for a gravity sewer interceptor at 121 Regional Disposal Facility

Jeff Mayfield presented this item. He advised that the City of Melissa is requesting easements for the extension of its Stiff Creek Gravity Sewer Line to the north of State Hwy 121 to allow for additional residential development in the area. Melissa needs one Permanent Easement and two Temporary Construction Easements that encumbers a parcel of land north of State Hwy 121. One Permanent Easement and one Temporary Construction Easement encumbers the 121 Regional Disposal Facility (RDF) permit boundary, parallel to State Hwy 121. A section of permanent fencing along the 121 RDF permit boundary will be removed and temporary fencing erected through construction. The section of permanent fencing will be reinstalled or replaced after construction. A map depicting the easements was presented.

Mr. Mayfield advised there is negligible cost associated with granting this easement, and no anticipated impact to the operations of 121 RDF. The easement terms are being finalized and this item is expected to be placed on the December Board of Directors Consent Agenda.

In response to a Director's question, Mr. Mayfield advised that TxDOT requires the boring under the roadway to be perpendicular to the roadway therefore requiring the proposed easement alignments.

In response to a Director's question, Mr. Mayfield advised the District owns the property adjacent to the pipeline and currently has no plans for this property.

- F. Update on NTMWD Plan on Cataloguing Properties

Assistant Deputy Mark Simon presented this item. He reviewed the District's plan on cataloguing properties includes use of the District's GIS System. The Plan

includes categories of properties including for Bois d'Arc Lake and its excess properties, treatment plants and the RDF, lift stations, pump stations, tanks and other miscellaneous vertical facilities, water pipelines, and wastewater pipelines. An estimated timeline to complete each category was provided. While some of the efforts on this project are underway, it was explained that this is a long term project. Maps of existing assets was provided. An example of future maps was provided.

A demonstration of an interactive map for Bois d'Arc Lake was presented. Mr. Simon also presented a preliminary listing of Bois d'Arc Lake properties that will be further evaluated against operational needs. A final list of excess property and total acreage will be determined after surveys are complete.

In response to a Director's question as to the intent and purpose of this catalogue, Executive Director Covington responded that the District wants to identify potential properties that might be considered excess. Mr. Simon added that the District desires to have a complete inventory. Executive Director Covington responded to a follow up question as to how cities might pursue developing trails on the District's property. She advised the cities need to contact her to begin those discussions.

In response to a Director's suggestion of possibly having a real-time map of the lake water surface area/level on any given day, Deputy Director Billy George responded that can be evaluated.

Billy George advised that the District is beginning to plan for solicitation of a developer for the first Marina on Bois d'Arc Lake. He also commented that in regard to the District retaining some of the full tracts of property obtained and yet unused for the Lake, they have proven to be valuable to the District when needed for land swaps and for mitigation areas. A Director responded that a main focus for this Committee was to evaluate whether excess properties could be put back on the tax rolls.

G. Update on Agricultural Leases

Garrett Murphree presented this item. A standard uniform lease agreement will be implemented January 2022 for several property sites. A standard five-year term will apply to most.

In response to a question from a Director in attendance regarding the Board's responsibility regarding leases, Attorney Isaacks responded that the information has historically been presented to the Board for informational purposes, and that the financial aspect of a lease is within the limits of staff authority per Board policy. The Director commented that if the Board is not required to approve leases, then the chart of leases document should not include a column for "Board Approval". Executive Director Covington advised that she has researched what she has authority for, and though leases are not specifically addressed, other language in policy reflects that she has the authority to execute them.

H. Opportunity for Committee members to provide feedback on Real Estate Committee meeting



There was no feedback from Committee Members.

I. Opportunity for Committee members to request potential future agenda items

Director Marvin Fuller requested information regarding the City of Melissa's previous request to allow trails on District property.

VI. ADJOURNMENT

There being no further business, the Real Estate Committee meeting adjourned at 2:55 p.m.

APPROVED:



DAVID HOLLIFIELD  
Chairman