



NORTH TEXAS MUNICIPAL WATER DISTRICT

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EXECUTIVE COMMITTEE MEETING MINUTES FEBRUARY 9, 2022

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

President Phil Dyer served as Presiding Officer and called the meeting to order at approximately 1:00 p.m. on Wednesday, February 9, 2022. The meeting was held with two-way video and audio communication between Board members participating by videoconference, establishing a quorum.

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

Executive Committee Members		
1	Dyer, Phil, (President)	In Person
2	May, Jack, (Vice-President)	Remote
3	Peasley, Richard (Secretary)	Remote
4	Parks, Larry (Past President)	Remote

Other Directors were in attendance along with Executive Director Jenna Covington and other members of the NTMWD management team.

The following consultants participated by video conference:

- Lauren Kalisek – Lloyd Gosselink Rochelle & Townsend
- Mark Walsh – Saunders Walsh & Beard
- Joel Geary – Waddell Serafino Geary Rechner Jenevein, PC

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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'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

Executive Director Jenna Covington mentioned that there were some successful meetings last week with Member City Managers as well as Customer City Managers and Utility Directors where Amawalk Consulting Group LLC presented their findings of our independent evaluation. She stated that staff is in the process of scheduling annual meetings with Member Cities where the Directors would attend and meet with the City Manager and staff. She indicated that during these meetings NTMWD will seek feedback on the recommendations contained in the independent review along with other items. She stated that four listening sessions will be held with the Customers to hear their feedback as well. The hope is to have all feedback for the March Board meeting.

Executive Director Covington advised that matters involving the Oklahoma Red River Boundary Commission will be discussed quite extensively later today during the Legislative Committee meeting.

Executive Director Covington noted that next week will be the one year anniversary of Winter Storm Uri. She stated that today's first agenda item is concerning the emergency preparedness plan and Senate Bill 3. She hopes to have a media story regarding the District's actions, efforts and upgrades following the storm.

IV. ACTION ITEMS

- A. Consider approval of Executive Committee meeting minutes – January 12, 2022

Upon a motion by Director Larry Parks and a second by Director Richard Peasley, the Executive Committee voted unanimously to approve the January 12, 2022 meeting minutes.

V. DISCUSSION ITEMS

- A. Update on Senate Bill 3 emergency preparedness plan and efforts addressing winter weather preparation

Deputy Director Jeff Mayfield reviewed that Senate Bill 3 requires the District to prepare an Emergency Preparedness Plan (EPP) that includes three phases with deadlines. The first, Phase A, was completed by the November 1, 2021 deadline. That phase was to "Identify Critical Facilities & Provide Notification." Phase B is to "Prepare & Submit the EPP to TCEQ" (due March 1, 2022), and Phase C is to "Submit Timeline to Implement EPP" (due July 2, 2022) but that recent TCEQ guidance indicates Phase C is to be included with the Phase B submission. Additional clarification is being sought but Mr. Mayfield advised the District is on track to meet the last two deadlines by March 1 if required.

Mr. Mayfield reviewed the major components of the EPP.

Mr. Mayfield discussed the selected options under the plan including the use of permanent generators, portable generators, and redundant feeds among others.

Mr. Mayfield advised that the Emergency Preparedness Plan is not subject to Chapter 552 of the Texas Government Code (Public Information Act) and therefore will be kept confidential.

Mr. Mayfield advised that approximately 70 percent of the projects listed were already planned prior to Senate Bill 3. He advised that before Uri, redundant power feed and available generators of the District were believed to be sufficient. The grid reliability issue made additional backup power sources necessary. He noted that construction for all currently approved CIP projects are anticipated to be complete by FY 2027.

Mr. Mayfield advised that the District has been addressing winter weather preparedness and identified completed, ongoing, and future tasks related to power supply, facility protection, technology, and coordination.

Mr. Mayfield advised that when events occur, select actions have been identified as follows:

- Advanced coordination with Member Cities & Customers to increase levels in water storage facilities
- Postpone planned water conveyance system equipment outages as cold weather approaches to facilitate emergency responses
- Pre-position extended stay equipment and resources for key personnel at key locations
- Increase Emergency Operations Center presence in advance of cold weather
- Verify fuel storage vessels are full
- Adjust key shift personnel schedules to prepare for additional coverage during emergency response events
- Pre-position generators at key locations

He added that the during the winter storm last week District staff was exceptionally prepared.

President Dyer inquired whether the District would be required to maintain 100 percent of its water production capacity during a storm and inquired whether the approximately \$80 million in anticipated expense has been authorized by the Board. Mr. Mayfield responded that \$7 million in projects are under construction

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and others have the design authorized but not the construction; the future projects are not included in the CIP at this time but will be in the future. Deputy Director Billy George responded to the capacity question saying that the District would not be required to produce 100 percent of capacity and that information will be included in the submission to the TCEQ in the future.

Director Jack May inquired whether grant funds are available towards any of the expenses associated with the EPP, and whether fuel providers have been identified. Mr. Mayfield responded that he is not aware of available grant funding. Regarding fuel, he advised that the District's contract with its fuel provider already identifies the District as critical infrastructure and contractually has priority. Executive Director Covington added that in advance of the storm last week staff fueled the portable tanks for use with the generators.

Director Larry Parks expressed appreciation for all that staff has done to prepare the EPP and suggested that it be reviewed every other year.

In response to a question from a Director in attendance, Executive Director Covington advised that information regarding the cost of the preparedness items can be included with rate information communications. Mr. George added that discussion of Senate Bill 3 has been included during water and wastewater partnering meetings. He added that cities also have to adhere to the requirements of Senate Bill 3, so they are familiar with it.

Director Richard Peasley suggested that Mr. Mayfield provide his presentation to the Member Cities.

B. Agendas for February Board meeting and Committee meetings

Executive Director Covington reviewed the following upcoming meetings:

1. Legislative Committee meeting

The Legislative Committee meeting follows this meeting today and starts at 3:00 p.m. Will include discussing the Oklahoma Red River Boundary Commission.

2. Board Work Session

The Long Range Water Supply Work Session is scheduled for February 17th starting at 1:00 p.m. Boxed lunches will be served at 12:00 p.m.

3. Wastewater Committee meeting

The Wastewater Committee meeting will be Wednesday, February 23rd at 1:00 p.m. The agenda is being developed.

4. Water Committee meeting

The Water Committee meeting is also Wednesday, February 23rd at 3:00 p.m. and that agenda is being developed.

5. Regular Board meeting

The Regular Board meeting is Thursday, February 24th starting at 2:30 p.m. and the agenda is being developed. Ms. Covington noted the Board will discuss the financial component of the Independent Review of the Regional Water System.

C. Departmental updates

1. Administrative Services

Deputy Director Jeanne Chipperfield reviewed the following:

- The February Board Meeting will include a briefing on the implementation of the 2021 Independent Review recommendations prepared by Amawalk. Staff's recommendations were provided at the January Finance Committee meeting. Plans are to briefly review the recommendations and dedicate most of the presentation to discussing the two recommendations regarding the Customer premium. Board feedback is desired on the path forward on the Customer premium.
- There is no Finance Committee Meeting in February. In March tentatively plan to have the annual updates regarding the retirement fund performances, discussions on Buy American and the FY21 end of year balances, as well as action on several potential bond issues and the appointment of the FY22 auditors.
- Staff is wrapping up the Regional Solid Waste System (RSWS) Strategic Financial Plan (SFP), which is the only SFP due to the RSWS Member Cities "on or prior to March 1st" per that system's contract. The RSWS Member Cities have appreciated staff's ability to maintain an estimated Member cost per ton of \$38.25 and once again, the preliminary SFP estimates next year's Member cost per ton at \$38.25.

Director Richard Peasley inquired about how the Customer Cities are responding to the Amawalk review. Executive Director Covington advised that there was one meeting with the Member Cities and a second with Customer Cities and utility directors. Those who attended did not provide feedback at the time. It was noted that four "listening sessions" are planned in the near future. She added that more information will be provided at the upcoming Board meeting.

2. Engineering and Capital Improvement Program

Deputy Director Cesar Baptista reviewed the following:

Bois d'Arc Lake Program Updates

- Leonard Water Treatment Plant Filters
Components of the water treatment plant filters includes an underdrain block system and filter media. The underdrain system is what keeps the filter media from migrating during the filtration process, so it is critical to the overall structure. The underdrain blocks were installed and grouted sometime back in September/October 2021 timeframe. The contractor is

now in the process of installing the media in preparation for the filter testing process. However, it was noted by the inspectors that the grout for the underdrains is experiencing discoloration and softening at localized areas at all 12 filters. This is not supposed to happen, given that the grout used is the same product that is typically used on some of the filter projects at the Wylie Plant. The contractor performing the work has engaged their grout supplier to obtain samples for testing. We are doing the same with our own testing firm to compare notes with the supplier's findings. Our project team discontinued installation of the filter media until results of the lab tests come back. Our QA/QC process is working as it should. We do expect to identify deficiencies as part of the project but this one is highly unusual. We will find out more by the end of next week once we obtain all the test results, which we plan to share at the full Board meeting this month as part of the Bois d'Arc Lake update. Initial assessment by the team would be at least a four month delay if we have to remove and replace the grout and underdrain system for all 12 filters.

- **BDL Leonard Plant Change Order**
A change order in the amount of \$2.9M will be requested at this month's Board meeting. This is to enclose the entire chlorine building, which was not part of the original project. The original project had an open building concept, which is not that uncommon for chlorine facilities. Since the project was originally designed in 2015, the District has placed more emphasis on safety, which is why the project team flagged this enclosure of the building as a necessary item. Concerns about the capabilities of the City of Leonard's first responders to manage a chlorine release have made the decision to enclose the building even more of a necessity. The matter will be discussed further during the Water Committee meeting.
- This month we also have a consent item to release \$2M of unutilized funding associated with the various utility conflicts on the Bois d'Arc Lake projects. We continue to true-up the projects as we begin finalizing each of the agreements entered into with the various utility companies.
- Lastly, we are tracking the Rayburn Country Electric Cooperative's (RCEC) request of the Public Utility Commission (PUC) to upload the project cost through the TCOS program. We were informed that it will be on the PUC's agenda for the 25th of February. We continue to monitor the PUC's website, which currently has not posted the agenda. If passed, we will be able to release the \$5.2M that the Board approved as part of the agreement for RCEC to provide power to the Leonard Water Treatment Plant and the Bois d'Arc Lake Dam.

3. Solid Waste and Integrated Services

Jeff Mayfield updated the Committee on the following:

- Solid Waste weathered last week's storm well. He commended the maintenance department for all their effort as significant preplanning, coordination and preparation rendered Winter Storm Landon essentially a non-event. All solid waste facilities were open on time Thursday and Friday though little waste was received.

- Last week staff provided the City of Frisco a concept plan for the fourth transfer station. Waiting to hear back from them.
- Mike Friesen and Jeff Mayfield met with the City of Melissa Monday to continue discussions on the potential for developing some of the 121 RDF buffer property as a park.

Director Peasley inquired whether there has been any contact from the Caddo Nation. Mr. Baptista responded that someone came to the District asking for contact information for the Board of Directors. No other contact has been made.

4. Water and Wastewater

Deputy Director Billy George reviewed the following:

- Last fall, we were notified by some of our chemical providers that they could no longer hold their prices due to market conditions and raw costs increasing, especially for ammonia. We recently opened bids for, and the most impactful re-bid, was for anhydrous ammonia at the Wylie Water Treatment Plant Complex. Our previous price per ton was \$640 per ton and we are seeing the bids come in over twice that original price. Chemicals are funded in the annual operating budget, and we are working with the Purchasing Department and Finance to adjust to the new pricing.
- At the request of the Sulphur River Basin Authority (SRBA), R.J. Muraski and I will be presenting an update on the Bois d'Arc Lake project at the SRBA Board meeting next week in Mt. Pleasant, Texas. The SRBA Board has made similar requests for presentations on major water supply projects in the region from other water providers in recent months, including the Lake Ralph Hall project currently being constructed by the Upper Trinity Regional Water District. The future Marvin Nichols Reservoir is located on the Sulphur River.
- The Seasonal Drought Outlook is currently forecasting drought conditions to persist through April, and we are watching that very closely. We will be working with Freese and Nichols, Inc. to update our lake leveling modeling over the next few years and will present that to the Water Committee most likely in May.
- We received a Notice of Violation and Resolution from the TCEQ related to the Bonham Treatment plant regarding reporting of solids disposal. The required reports have been submitted to resolve this issue. The violation was mentioned to the Water Committee at the December meeting.
- TCEQ performed an inspection of the Wilson Creek Regional Wastewater Treatment Plant (WWTP) on November 8, 2021, and the Buffalo Creek WWTP on October 27, 2021, the final inspection reports were received from TCEQ and indicated no reported violations identified during the inspections.

- TCEQ also performed an inspection of the Rowlett Creek Regional WWTP on December 9, 2021, and the Squabble Creek WWTP on December 15, 2021. No significant issues were communicated during the inspection, and we are awaiting the formal inspection report.

A Director in attendance suggested that the rate payers be made aware that the District's costs are increasing. Mr. George responded that these types of things are discussed during the partnering meetings and if necessary, will be addressed during the budget process.

- D. Update on litigation and/or potential litigation involving North Texas Municipal Water District/advice from legal counsel, including:
1. Carolyn Salzar v. NTMWD, Cause No. 416-05299-2021–
 2. Update on contractual issues with a contractor performing residuals removal, hauling and disposal

At 2:02 p.m. President Dyer announced the need for an Executive Session of the Committee to discuss Items V. D. 1 & 2 on the agenda pursuant to Texas Government Code, Section 551.071, Consultation with Attorney.

President Dyer confirmed with staff that the public access line was disconnected and that the audio recording was disabled during the Executive Session discussion.

Open Session reconvened at 2:14 p.m. The public teleconference line was reconnected.

No action was taken in Executive Session. No action was taken in open session as a result of Executive Session.

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

Director Larry Parks advised that it was brought to his attention recently that during a presentation by Baker Tilly some were unable to hear clearly. He noted that we need to be aware of hearing impairments when presentations are being made.

- F. Opportunity for Committee members to request potential future agenda items

There were no potential future agenda items requested.

VI. ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 2:16 p.m.

APPROVED:


PHIL DYER
Chairman