



NORTH TEXAS MUNICIPAL WATER DISTRICT

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

TO: BOARD OF DIRECTORS
FROM: JENNA COVINGTON, EXECUTIVE DIRECTOR
DATE: SEPTEMBER 16, 2022
SUBJECT: REGULAR MEETING – THURSDAY, SEPTEMBER 22, 2022

As autumn ushers in and the temperatures become a little more bearable, we begin several very active months for the Board of Directors. One of the most important events will be the dedication ceremony for Bois d'Arc Lake on October 14. Staff has been working diligently to make this historic event memorable.

If you have not RSVP'd yet, please let Stephanie Steelman know if you plan to attend and if you are bringing a guest (ssteelman@ntmwd.com).

Strategic Objective Highlight Initiative 3.3.1 – Open Bois d'Arc Lake to the Public

As Bois d'Arc Lake continues to fill, and we look forward to the lake dedication next month, preparations are underway to coordinate a safe opening for public recreation. The Lake Operations Team has hosted several coordination meetings with Texas Parks and Wildlife Department (TPWD), Fannin County Sheriff's Office, and Fannin County Emergency Management. In October of 2022, the Lake Operations Team will host an emergency helicopter landing zone training involving these same agencies as well as local Fire Districts surrounding the Lake. As the Lake Operations Team and Fannin County Sheriff's Office receive the last remaining items of equipment, readiness exercises on the water will be performed to ensure the Lake is safe and all agencies are ready before seeking board approval to open the Lake.

The recently opened Lake Operations Center has become a vital resource for meetings and training in the overall preparedness for local agencies in Fannin County and beyond. Some of the meetings and trainings have included the Fannin County Search and Rescue Team and the Texoma Mass Casualty Workshop involving area fire, EMS, and law enforcement from multiple jurisdictions. Other planned meetings at the Lake Operations Center include a meeting of the TPWD Migratory Game Bird Technical Committee a winter weather table top exercise. Over the summer the Lake Operations Center hosted several events for local school districts which highlighted and stimulated interest in the availability of the Center for educational purposes in the 2022-2023 school year. The Lake Operations Team continues to work with the NTMWD Public Education team to prepare classrooms with supplies for educational activities relating to water quality and water resources.

Farewell and Thank you to Director Brenda Jean Patrick

As you are probably aware, Director Patrick resigned from the Board of Directors last week due to health concerns. We will be honoring Director Patrick's service at the Board Meeting. Looking back on her time with the District, I remember numerous times that she provided words of encouragement and support to me and many others. Director Patrick spoke often of her love for the District and the City of Mesquite. I will truly miss her exuberant charm and witty humor.

We are coordinating with her son Michael to see if Director Patrick can listen in to the recognition item Thursday. I know many of you will want to share your words of appreciation and support for Director Patrick.



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BOARD OF DIRECTORS REGULAR MEETING (IN PERSON AND BY VIDEOCONFERENCE) THURSDAY, SEPTEMBER 22, 2022 2:30 P.M.

Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of North Texas Municipal Water District (NTMWD) will hold a regular meeting in person and by videoconference, accessible to the public, on Thursday, September 22, 2022, at 2:30 p.m., at the following meeting location: NTMWD Administrative Offices, 501 E. Brown Street, Wylie, Texas 75098.

The Presiding Officer and a quorum of the Board of Directors will be present at the meeting location or by videoconference with two-way video and audio communication between Board members participating at the meeting location and by videoconference. The public may attend the meeting in person at the meeting location. Audio and video of Board members participating by videoconference will be broadcast live and will be visible to members of the public. The meeting will be recorded and available on the NTMWD website after the meeting.

Members of the public wishing to listen to live audio of 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.

AGENDA

I. CALL TO ORDER

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG

V. ROLL CALL/ANNOUNCEMENT OF QUORUM

VI. OPENING REMARKS

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

VII. 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 Board may not discuss these items, but may respond with factual or policy information.

VIII. DISCUSSION ITEMS

- A. Update on Bois d’Arc Lake

IX. EXECUTIVE SESSION (to begin at approximately 3:00 p.m. and end approximately at 3:30 p.m.)

The Presiding Officer will announce that the meeting will move into closed executive session and identify the agenda items to be discussed in executive session. The executive session will conclude so that the public meeting will resume at approximately 3:30 p.m.

- A. Discuss duties, performance and evaluation of FY 23 salaries and benefits of the Executive Director, Deputy Director – Administrative Services, Deputy Director – Engineering and Capital Improvement Program, Deputy Director – Solid Waste and Integrated Services and Deputy Director – Water and Wastewater (Tex. Gov’t Code Section 551.074)

X. RECONVENE INTO REGULAR SESSION

In accordance with Texas Government Code, Chapter 551, the Board of Directors of NTMWD will reconvene into regular session to consider action, if any, on matters discussed in Executive Session.

XI. CONSENT AGENDA ITEMS

The Consent Agenda allows the Board of Directors to approve all routine, noncontroversial items with a single motion, without the need for discussion by the entire Board. Any item may be removed from consent and considered individually upon request of a Board member or NTMWD staff member.

- A. **Approval of Regular Board Meeting Minutes - Consent Agenda Item No. 22-09-01**
- Consider approval of August 25, 2022, Board of Directors Regular meeting minutes
- B. **Approval of Monthly Construction Report - Consent Agenda Item No. 22-09-02**
- Consider approval of September 2022 Monthly Construction Report
- C. **Authorize funding extension agreement with the Sulphur River Basin Authority - Consent Agenda Item No. 22-09-03**
- Consider authorizing the Executive Director to execute an extension to a funding agreement with the Sulphur River Basin Authority in the amount of \$67,000 for Water Resource Planning in the Sulphur River Basin

- D. **Adoption of Resolution No. 22-40 authorizing the execution of an Interlocal Cooperation Agreement (ILA) with the City of Plano - Consent Agenda Item No. 22-09-04**
- Consider authorizing the Executive Director to execute an ILA with the City of Plano for improvements to its sewer system, upstream of North Texas Municipal Water District's Plano Spring Creek Lift Station for Project No. 501-0618-22 ILA between the City of Plano and the NTMWD Regarding City Improvements to its Sewer System Upstream of the Plano Spring Creek Lift Station No. 2

XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

GENERAL / ADMINISTRATIVE AGENDA ITEMS

- A. **Adoption of Resolution No. 22-41 commending Director Brenda Jean Patrick**
- Consider adoption of Resolution No. 22-41 commending Director Brenda Jean Patrick for her service as a member of the NTMWD Board of Directors
- B. **Amendments to Board Policies Manual - Administrative Memorandum No. 5857**
- Consider authorizing the amendments to NTMWD Board Policies Manual as follows: Section I., District Policy; Section II., Executive Director/General Manager; Section IV., Board of Directors Rules of Procedures; Section VI., Education and Development Expenses; Section VII., Board of Directors Committee Policy; Section VIII., Standards of Conduct; Section IX., Board of Directors Meeting Agenda and Action Items; Section XI., Board Member Retirement Recognition Program and Section XII., Board/Staff Communication Policy
- C. **Amendments to Personnel Policies Manual - Administrative Memorandum No. 5858**
- Consider authorizing the amendments to NTMWD Personnel Policies Manual as follows: Section I., Employment Practices; Section II., Employee Conduct and Safety; Section III., Complaint Resolution; Section IV., Compensation and Reimbursement; Section V., Time-Off Benefits; Section VI., Health and Related Benefits
- D. **Adoption of Resolution No. 22-42 approving appropriations for 2022-23 All Systems Annual Budget, amending the 2021-22 Annual Budget and providing rates and charges for system services - Administrative Memorandum No. 5859**
- Consider adoption of Resolution No. 22-42 approving appropriations for the 2022-23 All Systems Budget in the amount of \$670,976,265; amending the 2021-22 Annual All Systems Budget in the amount of \$599,615,905 and providing rates and charges for the system services of the NTMWD
- E. **Adoption of Resolution No. 22-43 authorizing Restatement No. 1 to the Retiree Health Insurance Program - Administrative Memorandum No. 5860**
- Consider adoption of Resolution No. 22-43 authorizing Restatement No. 1 of the Retiree Health Insurance Program for Employees of the NTMWD clarifying eligibility of prior service credits

WATER AGENDA ITEMS

- F. **Authorize execution of an engineering services agreement (ESA) for the McKinney Delivery Point project - Administrative Memorandum No. 5861**
- Consider authorizing an ESA for additional engineering services with HDR, Inc. in the amount of \$2,182,540 to advance the pipeline design from 60% to 100% level, including bid phase and construction phase services for Project No. 101-0505-18, McKinney Delivery Point No. 3 to McKinney Delivery Point No. 4 Pipeline
- G. **Authorize Change Order No. 3 for the Wylie Water Treatment Plant (WTP) III Sludge Handling and Reclaimed Water Improvements project - Administrative Memorandum No. 5862**
- Consider authorizing Change Order No. 3 with Archer Western Construction, LLC reducing the scope for all basin work at the Wylie WTP III resulting in a construction credit in the amount of (\$2,677,075) for Project No. 101-0541-19, Wylie Water Treatment Plant III Sludge Handling and Reclaimed Water Improvements
- H. **Authorize the amended and restated wholesale water sales agreement between the City of Mesquite and Kaufman County Municipal Utility District (MUD) No. 12 - Administrative Memorandum No. 5863**
- Consider approving the amended and restated wholesale water sales agreement between the City of Mesquite and Kaufman County (MUD) No. 12 for a contract term of 30 years

WASTEWATER AGENDA ITEMS

- I. **Authorize an engineering services agreement (ESA) for the Beck Branch, Prairie Creek, and Renner Road Lift Station (LS) Improvements project - Administrative Memorandum No. 5864**
- Consider authorizing the Executive Director to execute an ESA with Wade Trim, Inc. in the amount of \$435,163 for preliminary engineering design for Project No. 501-0616-22, Beck Branch, Prairie Creek, and Renner Road Lift Stations Improvements
- J. **Authorize an engineering services agreement (ESA) for the Princeton Lift Station Expansion project - Administrative Memorandum No. 5865**
- Consider authorizing the Executive Director to execute an ESA with AECOM Technical Services, Inc. in the amount of \$1,140,000 for preliminary engineering design for Project No. 501-0617-22, Princeton Lift Station Expansion
- K. **Authorize award of construction contract and inspection services for the Sloan Creek Force Main project - Administrative Memorandum No. 5866**
- Consider authorizing award of construction contract with Wilson Contractor Services, LLC in the amount of \$11,221,632.85, and authorizing an inspection services agreement with TEC Consulting, LLC in the amount of \$434,700 for Project No. 501-0523-18, Sloan Creek Force Main

LAND ACQUISITION / RIGHT OF WAY AGENDA ITEMS

- L. **Adoption of Resolution No. 22-44 authorizing the execution of a Right-of-Way acquisition program for Waterline Relocations along State Highways in Dallas, Rockwall, and Kaufman counties - Administrative Memorandum No. 5867**
- Consider adoption of Resolution No. 22-44 authorizing the Executive Director to execute a Right-of-Way acquisition program with a budget of \$200,000; and authorizing the use of eminent domain to acquire easements for Project No. 101-0607-22, Waterline Relocations along State Highways in Dallas, Rockwall, and Kaufman Counties
- M. **Adoption of Resolution No. 22-45 authorizing the amendment to a previously approved property acquisition program and authorizing the execution of a new property acquisition program for the Rowlett Creek Regional Wastewater Treatment Plant Improvements project - Administrative Memorandum No. 5868**
- Consider adoption of Resolution No. 22-45 authorizing the Executive Director to amend a previously approved property acquisition program in the amount of \$1,200,000 of additional funding for Project No. 301-0524-19; and approving a new property acquisition program with a budget of \$50,000 for Project No. 301-0471-17

XIII. CLOSING ITEMS

- A. Opportunity for Board members to provide feedback or request potential future agenda items.

XIV. ADJOURNMENT

REQUIRED LEGAL NOTICES

The Board of Directors is authorized by the Texas Open Meetings Act to convene in closed or executive session for certain purposes. These purposes include receiving legal advice from its attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073); discussing personnel matters (Section 551.074); or discussing security personnel or devices (Section 551.076). If the Board of Directors determines to go into executive session on any item on this agenda, the Presiding Officer will announce that an executive session will be held and will identify the item to be discussed and provision of the Open Meetings Act that authorizes the closed or executive session.

Persons with disabilities who plan to attend the NTMWD meeting and who may need auxiliary aids or services are requested to contact Shannon Sauceman in the NTMWD Administrative Offices at (972) 442-5405 as soon as possible. All reasonable efforts will be taken to make the appropriate arrangements.

Pursuant to Section 30.05, Penal Code (criminal trespass), a person may not enter this property with a firearm. Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun. Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

CONSENT AGENDA ITEM NO. 22-09-01

AUGUST 2022 REGULAR BOARD MEETING MINUTES

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors approve the minutes of the regular Board meeting held on Thursday, August 25, 2022 as presented. (See attached.)



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MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS AUGUST 25, 2022

The North Texas Municipal Water District (NTMWD) Board of Directors met in a regular meeting on Thursday, August 25, 2022, at 2:30 p.m. Notice of the meeting was legally posted in accordance with Government Code, Title 551, Open Meetings.

I. CALL TO ORDER

President Jack May called the meeting to order at approximately 2:30 p.m.

President May advised the following regarding the meeting:

The meeting today is being conducted in person with two-way video and audio communication between Board members participating by videoconference, establishing a quorum. The public may attend the meeting in person. Audio and video of Board members participating by videoconference will be visible. Members of the public wishing to listen to live audio from the meeting may do so by calling in.

II. INVOCATION

Director Keith Stephens offered the invocation.

III. PLEDGE OF ALLEGIANCE

President May led the Pledge of Allegiance.

IV. PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG

President May led the Pledge of Allegiance to the Texas Flag.

V. ROLL CALL/ANNOUNCEMENT OF QUORUM

The roll was called, and attendance was confirmed as follows:

	DIRECTORS	ABSENT	REMOTE
1	Anderson, Terry Sam	√	
2	Appolito, Robert	√	

3	Boren, Kalen		
4	Carr, John		
5	Crowley, Rick		
6	Crump, George	√	
7	Dyer, Phil		
8	Farmer, Joe		
9	Fuller, Marvin		
10	Gordon, Don		
11	Hollifield, David		
12	Imrie, Chip		
13	Johnson, Blair		
14	Kelley, Ron		
15	Kerr, James (Jim)		√
16	Kever, Geralyn		
17	May, Jack		
18	Patrick, Brenda Jean	√	
19	Peasley, Richard		
20	Roland, Randy		
21	Shuyler, Lynn		
22	Stephens, Keith		
23	Sutherland, Jody		
24	Sweeden, John		
25	Thompson, Larry		

The following NTMWD legal and professional consultants attended the meeting:

- Lauren Kalisek – Lloyd Gosselink Rochelle & Townsend
- Lewis Isaacks, Mark Walsh – Saunders Walsh & Beard
- Tom Gooch – Freese and Nichols, Inc.
- Nick Bulaich, David Medanich – Hilltop Securities
- Molly Carson – McCall Parkhurst and Horton

VI. OPENING REMARKS

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

President May reviewed the tentative list of meetings for September 2022 as follows:

- Wednesday, September 7th - Executive, Finance and Policy Committees
- Wednesday, September 21st – Real Estate and Water Committees
- Thursday, September, 22nd – Board Meeting

He also reminded everyone that there is a Board tour of the Stewart Creek Wastewater Treatment Plant scheduled on Friday, September 16th from 9 a.m. to 11:00 a.m.

- B. 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 advised that the East System Ground Storage Tank project is now complete. She also advised that Bois d'Arc Lake is now 38 percent full. She noted that the program for the Bois d'Arc Lake Dedication Ceremony in October is complete. She requested RSVPs from the Directors so that transportation from the Wylie offices may be arranged.

VII. 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 Board may not discuss these items but may respond with factual or policy information.

Pat O'Neill with Black & Veatch spoke regarding the company's relationship with the District, past and present.

Justin Jinright spoke regarding ongoing issues with his property.

VIII. DISCUSSION ITEMS

A. Review of ongoing regional drought conditions and consumption update

Deputy Director Billy George presented this item. He advised that while the area is still in a drought, demands are dropping due to some recent rains and effective conservation efforts. He provided data on average water usage for 2022 compared to 2000. He advised that the water year of 2021-2022 set a new record of 117 billion gallons sold and added that the previous record was set in 2019-2020 with 106 billion gallons sold.

Mr. George provided a chart of consumption by the Member Cities, noting that seven (7) set new minimums. Customer Cities had 19 of 34 establishing new minimums as well. Mr. George noted that Customers receive 20 percent of the water sold by the District and Members receive 80 percent.

Mr. George advised that the District would continue its coordination with the Member and Customer cities and engage them to update the District's Water Conservation Plan and Water Resource & Emergency Management Plan by 2024. The water supplies and lake levels will be closely monitored in order to update water supply models for 2023.

Director Richard Peasley inquired whether the District could have had sufficient capacity this summer if the problem with the sedimentation basin had not been a factor. Mr. George responded that there may have been sufficient capacity.

Director John Carr asked if a calculation can be made to determine how many acre-feet of water was consumed over the past summer. Mr. George responded that could be provided.

B. Update on amended FY 21-22 and proposed FY 22-23 Annual All Systems Budgets

Deputy Director Jeanne Chipperfield provided an overview of positive milestones and efficiencies put in place during this year. She provided a list of major changes that have been made to the FY22 amended budget since the July budget work session that include the following for the Regional Water System:

- Excess revenue billing increased \$1.3M as Water Year 2022 ended and actuals finalized
- Chemical costs re-estimated - increase from \$56M to \$64M
- Increase transfer from Rate Stabilization Fund (\$4M); defer transfer to Contingency (\$1.2M); debt service savings (\$2.4M) to maintain 90-day operating reserve
- Overall RWS reserves projected at 132 days at 9-30-22; previously 144 days

Major changes to the proposed FY23 budget since the July budget work session for the Regional Water System were reviewed as follows:

- New minimums increased revenue \$2M
- Adjust funding dedicated to reserve replenishment \$2M due to additional reserve use in FY22
- Overall RWS reserves at 135 days projected for 9-30-23; previously 137 days

A graph summarizing expenditures by System was provided. Ms. Chipperfield reviewed the budget related schedule and advised that during August the Regional Water System billing invoices were sent to Members and Customers. She advised that the Board will consider approving the FY22 amended budget and the FY23 proposed budget at the September Board meeting. She noted that the FY23 final billing letters will be sent to non-water Members and Customers on October 31st.

Wayne Larson, Communication Director provided an update on communication and education efforts that will be used to relay rate increase information.

IX. EXECUTIVE SESSION

At 3:16 p.m. President May announced the need for an Executive Session of the Board of Directors to discuss items IX. A. 1 -2, and B., pursuant to the Texas Government Code, Section 551.071 Consultation With Attorney and Section 551.072 Deliberation Regarding Real Property.

A. Consult with legal counsel regarding pending or contemplated litigation (Tex. Gov't Code Section 551.071)

1. *NTMWD v. S.J. Louis Construction of Texas, Ltd., ACT Pipe and Supply, Inc., 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. Buffalo Creek Parallel Interceptor, Phase I Project

- B. Update on Long Range Water Supply Plan
(Tex. Gov't Code Section 551.071 and 551.072)

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

X. RECONVENE INTO REGULAR SESSION

In accordance with Texas Government Code, Chapter 551, the Board of Directors of NTMWD will reconvene into regular session to consider action, if any, on matters discussed in Executive Session.

Open Session reconvened at 4:39 p.m. The public teleconference line was reconnected.

No action was taken in Executive Session. President May advised that action will be taken on item IX. A. 1.

Director Ron Kelley made the following motion on item IX. A. 1:

"I make a motion that NTMWD enters into the proposed written settlement agreement with S.J. Louis Construction of Texas, Ltd., Act Pipe & Supply, Inc., and J-M Manufacturing Company, Inc. d/b/a JM Eagle, resolving all remaining claims in Cause Number 429-06607-2019."

Motion was seconded by Director Geralyn Kever. The Board of Directors voted unanimously to approve the motion. Director Jim Kerr was absent from the vote.

President May called for a short recess.

XI. CONSENT AGENDA ITEMS

President May inquired whether any Director would like to remove an item from the Consent Agenda for separate discussion. There were none.

Upon a motion by Director Chip Imrie and a second by Director Phil Dyer, the Board of Directors voted unanimously to approve the Consent Agenda. Director Jim Kerr was absent from the vote.

- A. **Approval of Regular Board Meeting Minutes - Consent Agenda Item No. 22-08-01**
- Consider approval of July 28, 2022, Board of Directors Regular meeting minutes
- B. **Approval of Board Work Session and Special Meeting Minutes - Consent Agenda Item No. 22-08-02**
- Consider approval of July 21, 2022 Board of Directors Work Session and Special meeting minutes
- C. **Approval of Monthly Construction Report - Consent Agenda Item No. 22-08-03**

- Consider approval of August 2022 Monthly Construction Report
- D. **Authorize execution of a Joint Funding Agreement with the United States Geological Survey (USGS) - Consent Agenda Item No. 22-08-04**
 - Consider authorizing the Executive Director to execute a joint funding agreement with the USGS in the amount of \$187,000 for continuation of zebra mussel monitoring program
- E. **Authorize execution of a Joint Funding Agreement with the United States Geological Survey (USGS) - Consent Agenda Item No. 22-08-05**
 - Consider authorizing the Executive Director to execute a joint funding agreement with the USGS in the amount of \$116,490 for surface water data collection and water quality monitoring
- F. **Authorize Amendment No. 8 to the Construction Manager At-Risk (CMAR) agreement for the Wylie Water Treatment Plant (WTP) projects - Consent Agenda Item No. 22-08-06**
 - Consider authorizing the Executive Director to execute Amendment No. 8, Construction Change Order No. 4 to the CMAR agreement with MWH Constructors, Inc. in the amount of \$442,513; Ratification of the Executive Director's authorization to proceed with expedited material procurement for Project No. 101-0390-15, Wylie WTP Biological Active Filtration; 101-0496-18, Ammonia System Improvements; and 101-0517-18, Wylie WTP II Structural and Mechanical Improvements-Phase I Partial GMP No. 1 for work related to Project No. 101-0517-18, Plant II Structural and Mechanical Improvements
- G. **Authorize execution of an architectural services agreement for the Wylie Fleet Maintenance Service Center project - Consent Agenda Item No. 22-08-07**
 - Consider authorizing the Executive Director to execute an architectural services agreement with Stantec Consulting Services, Inc. in the amount of \$458,125 for final architectural design and construction phase services for Project No. 401-0613-22, Wylie Fleet Maintenance Service Center
- H. **Adoption of Resolution No. 22-34 authorizing the execution of conveyance of property for the Sabine Creek Wastewater Treatment Plant (WTTP) project - Consent Agenda Item No. 22-08-08**
 - Consider adoption of Resolution No. 22-34 authorizing the Executive Director to execute a conveyance of property of approximately 1.05 acres of permanent easement to the City of Royse City
- I. **Authorize execution of an engineering services agreement for the 121 Regional Disposal Facility (RDF) Sectors 6B and 6C Mass Excavation project - Consent Agenda Item No. 22-08-09**
 - Consider authorizing the Executive Director to execute an engineering services agreement with Biggs and Mathews Environmental in the amount of \$28,900 for final engineering design on Project No. 401-0614-22, 121 RDF Sectors 6B and 6C Mass Excavation

XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

GENERAL / ADMINISTRATIVE AGENDA ITEMS

A. Adoption of Resolution No. 22-35 authorizing Sabine Creek Regional Wastewater System Contract Revenue Bonds, Series 2022 - Administrative Memorandum No. 5850

- Consider adoption of Resolution No. 22-35 authorizing the issuance, sale and delivery of NTMWD Sabine Creek Regional Wastewater System Contract Revenue Bonds, Series 2022 in the amount of approximately \$80,160,000; and approving and authorizing instruments and procedures relating thereto

Director Chip Imrie advised this item was reviewed by the Finance Committee on June 8, 2022. The Finance Committee voted unanimously for the Board of Directors to adopt Resolution No. 22-35 authorizing the “issuance, sale and delivery of NTMWD Sabine Creek Regional Wastewater System Contract Revenue Bonds, Series 2022, and approving and authorizing instruments and procedures relating thereto”. These bonds are estimated to be for \$80,160,000.

The final interest rate, incorporating the principal forgiveness, is 4.18%.

Upon a motion by Director Chip Imrie and a second by Director Joe Farmer, the Board of Directors voted unanimously to approve Resolution No. 22-35 authorizing Sabine Creek Regional Wastewater System Contract Revenue Bonds, Series 2022. Director Jim Kerr was absent from the vote.

B. Amendment to NTMWD Administrative and Finance Policies Manual and Adoption of Resolution No. 22-36 approving the NTMWD Investment Policy and Investment Strategy - Administrative Memorandum No. 5851

- Consider authorizing amendment to the NTMWD Administration and Finance Policies Manual as follows: (a) Section 1, General Investment Policy; (b) Section 4, Water Variable Cost Rebate Policy; (c) Section 6, Purchasing Policy; (d) Section 10, Handgun Policy; (e) Section 11, Fund Balance Policy; (f) Section 12, Debt Management Policy; (g) Section 13, Grant Management Policy; and (h) Exhibit A, NTMWD Investment Strategy Statement; and adopt Resolution No. 22-36, as it pertains to the General Investment Policy, “A Resolution approving NTMWD Investment Policy and Investment Strategy” which includes an annual review and approval of the Investment Policy and Strategies that are included in the NTMWD Administration and Finance Policies Manual

Director Chip Imrie advised that the General Investment Policy, Water Variable Cost Rebate Policy, Purchasing Policy, Handgun Policy, Fund Balance Policy, and Debt Management Policy, were reviewed by the Finance Committee on June 8, 2022. The Finance Committee voted unanimously for the Board of Directors to approve these amendments to the NTMWD Administration and Finance Policies Manual. These policies and the Grant Management Policy were reviewed by the Policy Committee on August 10, 2022. The Policy Committee voted unanimously for the Board of Directors to approve these amendments to the NTMWD Administration and Finance Policies Manual.

A motion to approve was made by Director Chip Imrie and was seconded by Director Blair Johnson. Director Jim Kerr was absent from the vote.

In response to a Director's question Billy George responded that the handgun policy is a matter of state law and aligns with the Texas Penal Code which authorizes those licensed as peace officers to carry handguns on the Bois d'Arc Lake property.

Clarification on the rebate policy was also requested. Ms. Chipperfield responded that the rebate policy has a proposed change that would allow rebates based on actual savings in yearly expenditures and not on budgeted values. Additionally, timing of the rebate approval is proposed to be changed until after the closeout of yearly expenditures.

Executive Director Covington reviewed that with the current policy, the discussion of rebates occurs in August with approval in September. With the proposed policy change the rebates (based on actual savings) will be presented for discussion in October with approval in November. It was explained that for this year, since the budget was exceeded by \$14 million, no rebate is recommended.

The Board of Directors voted unanimously to approve the proposed amendment to the NTMWD Administrative and Finance Policies Manual, and to adopt Resolution No. 22-36 approving the NTMWD Investment Policy and Investment Strategy. Director Jim Kerr was absent from the vote.

WATER AGENDA ITEMS

C. Adoption of Resolution No. 22-37 authorizing the execution of an Interlocal Cooperation Agreement (ILA) with the City of Richardson - Administrative Memorandum No. 5852

- Consider adoption of Resolution No. 22-37 authorizing the Executive Director to execute an ILA with the City of Richardson regarding the joint construction of Richardson's Water Improvements and NTMWD's Project No. 101-0338-13, Meter Vault Standardization, Set Point Control Phase IV; and No. 101-0566-20, 36-inch Plano West Side Pipeline

Deputy Director Cesar Baptista presented this item. He explained that the City of Richardson has a project located at the same location (Richardson No. 2 Delivery Point) where the District also needs to upgrade its metering station and build a pipeline. Due to the proximity of the District's facilities and Richardson's facilities, a joint construction project is recommended. Mr. Baptista advised that this action does not authorize any funding and noted that the District will have oversight of the inspections on the project. Richardson City Council has approved this item.

Upon a motion by Director GERALYN KEVER and a second by Director JOHN CARR, the Board of Directors voted unanimously to approve. Director Jim Kerr was absent from the vote.

WASTEWATER AGENDA ITEMS

D. Authorize award of construction contract, engineering construction services agreement and construction management and inspection services agreement for the Sabine Creek Wastewater Treatment Plant (WWTP) expansion project - Administrative Memorandum No. 5853

- Consider authorizing award of construction contract to Eagle Contracting, LLC in the amount of \$69,831,000, award of construction management services to Plummer Associates, Inc. in the amount of \$ 3,939,953, and award of engineering construction services to AECOM Technical Services, Inc. in the amount of \$ 2,766,538 for Project No. 308-0576-20, Sabine Creek Wastewater Treatment Plant Expansion to 7 MGD (formerly Expansion to 6 MGD)

Director Ron Kelley advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize award of a construction contract, award engineering services during construction, and award construction management and inspection services for the Sabine Creek Wastewater Treatment Plant Expansion to seven million gallons per day.

The service area of the Sabine Creek Wastewater Treatment Plant has a rapidly growing population and additional treatment capacity is needed to support increase wastewater flows.

Upon a motion by Director Ron Kelley and a second by Director Joe Farmer, the Board of Directors voted unanimously to approve. Director Jim Kerr was absent from the vote.

E. Authorize construction Change Order No. 1 for the North McKinney Parallel Interceptor project - Administrative Memorandum No. 5854

- Consider authorizing construction Change Order No. 1 with McKee Utility Contractors, Inc. in the amount of \$869,643.16 for Project No. 501-0504-18 North McKinney Parallel Interceptor

Director Ron Kelley advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize Change Order No. 1 with McKee Utility Contractors, Inc.

The purpose of this change order is to lower the new parallel interceptor elevation closer to the existing North McKinney Interceptor elevation to maximize the combined capacity and accommodate a future interceptor extension northward to meet future flows and growth.

Upon a motion by Director Ron Kelley and a second by Director Chip Imrie, the Board of Directors voted unanimously to approve. Director Jim Kerr was absent from the vote.

LAND ACQUISITION / RIGHT OF WAY AGENDA ITEMS

F. Adoption of Resolution No. 22-38 authorizing the execution of a land acquisition program for the Preston Road Lift Station expansion project - Administrative Memorandum No. 5855

- Consider adoption of Resolution No. 22-38 authorizing the Executive Director to execute a land acquisition program with a budget of \$1,500,000; and authorizing the use of eminent domain to acquire property for Project No. 501-0559-20, Preston Road Lift Station Expansion

Director David Hollifield advised that the Real Estate Committee discussed this item at the July 27th Real Estate Committee meeting.

This item authorizes the Executive Director to execute a land acquisition program for the Preston Road Lift Station expansion with a budget of \$1,500,000.

Upon a motion by Director David Hollifield and a second by Director Don Gordon, the Board of Directors voted unanimously to approve Resolution No. 22-38 authorizing the execution of a land acquisition program for the Preston Road Lift Station expansion project. Director Jim Kerr was absent from the vote.

G. Adoption of Resolution No. 22-39 authorizing the execution of a property and right-of-way acquisition program for the Sabine Creek Wastewater Treatment Plant expansion project - Administrative Memorandum No. 5856

- Consider adoption of Resolution No. 22-39 authorizing the Executive Director to execute a property and right-of-way acquisition program with a budget of \$1,400,000; and authorizing the use of eminent domain to acquire property and right-of-way for Project No. 308-0576-20, Sabine Creek Wastewater Treatment Plant (WWTP) Expansion

Director David Hollifield advised that the Real Estate Committee discussed this item at the July 27th Real Estate Committee meeting.

This item authorizes the Executive Director to execute a land acquisition program for the Sabine Creek Wastewater Treatment Plant expansion with a budget of \$1,400,000.

A motion to approve was made by Director David Hollifield and seconded by Director Larry Thompson. Director Jim Kerr was absent from the vote.

In response to Director's questions, Mr. Baptista advised that the buffer around this site has been increased for future expansion. Executive Director Covington advised that 10.6 acres is recommended for the site, .3 acres is for permanent easement and .1 acres will be for temporary easement.

The Board of Directors voted unanimously to approve Resolution No. 22-39 authorizing the execution of a property and right-of-way acquisition program for the Sabine Creek Wastewater Treatment Plant expansion project.

XIII. CLOSING ITEMS

- A. Opportunity for Board members to provide feedback or request potential future agenda items.

There were no comments or requests for potential future agenda items.

XIV. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 5:10 p.m.

APPROVED:

JACK MAY, President

ATTEST:

GEORGE CRUMP, Secretary

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

CONSENT AGENDA ITEM NO. 22-09-02

MONTHLY CONSTRUCTION REPORT

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Monthly Construction Report in accordance with NTMWD's Board Policies Manual for project changes greater than \$100,000 and less than \$500,000.

I. CONSTRUCTION CHANGE ORDERS ONLY

WATER SYSTEM

a. Project No. 101-0585-21, F.M. 2514 Pipeline Relocations, Change Order No. 3

Description	Amount	Days
Original Contract Amount	\$1,610,321.00	145
Prior Change Order(s) Total	\$5,430.30	75
Change Order No. 3		
Pipeline abandonment and air release valve (ARV) relocations for utility conflicts due to Texas Department of Transportation (TxDOT) road widening, to be reimbursed by TxDOT.	\$250,325.00	77
Change Order No. 3 Increase	\$250,325.00	77
Revised Contract Amounts	\$1,866,076.30	297

Original Completion Dates: Substantial – July 1, 2022; Final – August 1, 2022

Revised Completion Dates: Substantial – November 30, 2022; Final – December 31, 2022

Funding in the amount of \$250,325.00 for Change Order No. 3 to Canary Construction, Inc., is available in the Regional Water System Capital Improvement Fund

b. Project Nos. 101-0358-14, Bois d'Arc Lake (BDL) Raw Water Pump Station (RWPS); 101-0384-15, Leonard Water Treatment Plant (WTP); 101-0428-16, Leonard WTP High Service Pump Station (HSPS); 101-0436B-16, BDL Boat Ramps and Lake Facilities, Dam Maintenance Facility (DMF), Amendment No. 18 for additional contract time for improvements required by the Process Hazard Analysis for the Risk Management Plan.

Description	Amount	Days
Current Contract Amount – Project No. 101-0358-14	\$93,064,386.94	1,462
Current Contract Amount – Project No. 101-0384-15	\$272,294,592.67	1,497
Current Contract Amount – Project No. 101-0428-16	\$62,730,569.22	1,213

Current Contract Amount – Project No. 101-0436B-16	\$9,627,546.00	771
Proposed Amendment No. 18		
Project No. 101-0358-14 - Additional contract time	\$0.00	136
Project No. 101-0384-15 - Additional contract time	\$0.00	136
Project No. 101-0428-16 – Additional contract time	\$0.00	136
Project No. 101-0436B-16 - Additional contract time	\$0.00	53
Revised Contract Amounts		
Revised Contract Amount – Project No. 101-0358-14	\$93,064,386.94	1,598
Revised Contract Amount – Project No. 101-0384-15	\$272,294,592.67	1,633
Revised Contract Amount – Project No. 101-0428-16	\$62,730,569.22	1,349
Revised Contract Amount – Project No. 101-0436B-16	\$9,627,546.00	824

Previous Completion Dates (through approved Amendment No. 17 per Administrative Memorandum No. 5804):

Project No. 101-0358-14, RWPS: Substantial – October 27, 2022; Final – December 11, 2022
 Project No. 101-0384-15, Leonard WTP: Substantial – October 27, 2022; Final – December 11, 2022
 Project No. 101-0428-16, HSPS: Substantial – October 27, 2022; Final – December 11, 2022
 Project No. 101-0436B-16, DMF: Substantial – August 27, 2022; Final – September 27, 2022

Revised Completion Dates (through Proposed Amendment No. 18):

Project No. 101-0358-14, RWPS: Substantial – March 12, 2023; Final – April 26, 2023
 Project No. 101-0384-15, Leonard WTP: Substantial – March 12, 2023; Final – April 26, 2023
 Project No. 101-0428-16, HSPS: Substantial – March 12, 2023; Final – April 26, 2023
 Project No. 101-0436B-16, DMF: Substantial – October 19, 2022; Final – November 19, 2022

No additional funding is requested for Amendment No. 18 for the additional contract time to be added to the Construction Manager At-Risk (CMAR) contract with Garney Companies, Inc.

WASTEWATER SYSTEM

- a. Project No. 301-0426-16, Sister Grove Regional Water Resource Recovery Facility, Change Order No. 4

Description	Amount	Days
Original Contract Amount	\$359,134,722.91	991
Prior Change Order(s) Total	\$4,818,595.52	157
Change Order No. 4		
CMR 025 – Electrical modifications to the filter facility, Bid Package (BP) 4.4	\$179,658.00	
CMR 029 - Electrical modifications to gate actuators, BP 4.4	\$27,085.59	
CMR 030 - Peak flow basin finished grade, BP 1.10	\$221,496.75	

CMR 032 - Dewatering peristaltic pumps, BP 2.3	\$9,502.00	
CMR 033 - Aeration Basin Fiberglass Reinforced Pipe (FRP) tank vent and color, BP 1.5	\$11,801.00	
CMR 034 - Headworks hoist lift height, BP 1.4	\$1,604.95	
Reallocation from Amendment 2, Guaranteed Maximum Price (GMP) No. 1, Bid Package (BP) 1.2-ALL.2 Potential Modification to excavation plan	(\$188,110.00)	
Reallocation from Amendment 3, GMP No. 2, BP 2.2-ALL.1, Design Progression	(\$238,307.84)	
Reallocation from Amendment 4, GMP No. 3, BP 3.6-ALL.1, Design Progression	(24,730.45)	
Change Order No. 4 Increase	\$0.00	0
Revised Contract Amounts	\$363,953,318.43	1148
Prior request for local funds use	\$63,604.85	
Contingency Request (to be paid through local funds)		
Fuel tank remediation, Amendment 2, GMP No. 1, BP 1.1 (includes General Conditions and Construction Manager at-Risk (CMAR) Fees)	\$10,792.17	
Total Local Funding Amount	\$74,397.02	
Total Contract Amount	\$363,953,318.43	

Original Completion Dates: Substantial – July 28, 2023; Final – September 29, 2023
Revised Completion Dates: Substantial – December 30, 2023; Final – March 4, 2024

No additional funding is requested for Change Order No. 4 to Garney Companies, Inc. The project is funded through the Texas Water Development Board Clean Water State Revolving Funds. Due to the ineligibility, the contingency request for fuel tank remediation will be paid through local funds.

Funding in the amount of (\$10,792.17) to Garney Companies, Inc. is to be credited back to the Regional Wastewater System Clean Water State Revolving Funds. Funding in the amount of \$10,792.17 to Garney Companies, Inc. is to be made available in the Regional Wastewater System 2021 Construction Fund.

SOLID WASTE SYSTEM

a. None.

II. AUTHORIZATION TO ISSUE CONSTRUCTION FINAL PAYMENT ONLY

Work on the following projects is substantially complete with only minor deficiencies remaining. Final payment in the total amounts shown will be made on these projects when completion of all deficiency items is verified.

WATER SYSTEM

a. None

WASTEWATER SYSTEM

- a. Project No. 301-0567-20, Wilson Creek Regional Wastewater Treatment Plant Aeration Basin Improvements

Description	Amount	Days
Original Contract Amount	\$4,542,000.00	730
Prior Change Order(s) Total	\$128,400.00	0
Previous Payments	\$4,298,793.26	
Proposed Final Payment to Archer Western Construction, LLC	\$371,606.74	
Final Contract Amounts	\$4,670,400.00	730

Original Completion Dates: Substantial – January 5, 2023; Final – April 5, 2023
Revised Completion Dates: No change.

No additional funding is requested for final payment.

SOLID WASTE SYSTEM

- a. None.

III. CONSTRUCTION CHANGE ORDER AND AUTHORIZATION TO ISSUE FINAL PAYMENT ONLY

Work on the following projects is substantially complete with only minor deficiencies remaining. Final payment in the total amounts shown will be made on these projects when all work associated with the change order shown on the tabulation shall have been completed and accepted, and completion of all deficiency items is verified.

WATER SYSTEM

- a. None.

WASTEWATER SYSTEM

- a. Project No. 301-0499-18, Wilson Creek Regional Wastewater Treatment Plant (RWWTP) Maintenance Facility and Solids Operations Facility

Description	Amount	Days
Original Contract Amount	\$3,637,140.00	395
Prior Change Order(s) Total	\$156,988.87	417
Proposed Change Order No. 8		
Liquidated damages for late completion	(\$48,750.00)	0
Proposed Change Order No. 8 Decrease	(\$48,750.00)	0
Final Contract Amounts	\$3,745,378.87	812

Original Completion Dates: Substantial – August 18, 2020; Final – September 17, 2020

Revised Completion Dates: Substantial – October 9, 2021; Final – November 8, 2021.

Liquidated damages in the amount of \$48,750.00 for Change Order No. 8 will be assessed to Mart General Contractors, Inc. Funding in the amount of (\$48,750.00) will be credited back to the Regional Wastewater System 2021 Construction Fund.

- b. Project No. 501-0522-18, Upper East Fork Interceptor System (UEFIS) Storage and Parking Facilities

Description	Amount	Days
Original Contract Amount	\$1,237,860.00	395
Prior Change Order(s) Total	\$19,274.19	417
Proposed Change Order No. 7		
Liquidated damages for late completion	(\$16,250.00)	0
Proposed Change Order No. 7 Decrease	(\$16,250.00)	0
Final Contract Amounts	\$1,240,884.19	812

Original Completion Dates: Substantial – August 18, 2020; Final – September 17, 2020

Revised Completion Dates: Substantial – October 9, 2021; Final – November 8, 2021.

Liquidated damages in the amount of \$16,250.00 for Change Order No. 7 will be assessed to Mart General Contractors, Inc. Funding in the amount of (\$16,250.00) will be credited back to the Upper East Fork Interceptor System 2018 Construction Fund.

SOLID WASTE SYSTEM

- a. None.

IV. AMENDMENTS TO ENGINEERING, INSPECTION, AND/OR LEGAL SERVICES ONLY:

WATER SYSTEM

- a. Project No. 101-0390-15, Wylie Water Treatment Plant Biologically Active Filtration, Project No. 101-0496-18, Ammonia System Improvements, and Project No. 101-0517-18, Wylie Water Treatment Plant II Structural and Mechanical Improvements – Construction Program Management Services

DESCRIPTION	AMOUNT
Original ESA	\$6,980,000.00
Prior Additional Services	\$0.00
Proposed Additional Services	
Project No. 101-0390-15 - Provision of construction materials testing and inspection quality assurance services	\$33,000.00

Project No. 101-0496-18 - Provision of construction materials testing and inspection quality assurance services	\$22,000.00
Project No. 101-0517-18 - Provision of construction materials testing and inspection quality assurance services	\$71,500.00
Proposed Additional Services Sum	\$126,500.00
Revised ESA Amount	\$7,106,500.00

Funding in the amount of \$126,500.00 to AECOM Technical Services, Inc., is available in the Regional Water System Capital Improvement Fund.

b. Project No. 101-0210-10, North McKinney Pipeline, Phases I and II

DESCRIPTION	AMOUNT
Original Legal Services	\$85,000.00
Prior Additional Services	\$167,000.00
Proposed Additional Services	\$20,000.00
Additional Legal Services	
Revised Legal Services Amount	\$272,000.00

Note that the cumulative additional services amount exceeds 25 percent of the original authorization but due to the nature of this project and the minimal amount requested, it was included in this report.

Funding in the amount of \$20,000.00 to Saunders, Walsh & Beard, Attorneys & Counselors, is available in the Regional Water System Capital Improvement Fund

WASTEWATER SYSTEM

a. Project No. 301-0471-17, Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase II

DESCRIPTION	AMOUNT
Original ESA	\$5,182,700.00
Prior Additional Services	\$816,966.00
Proposed Additional Services	\$378,050.00
Modifications to temporary treatment of solids, addition of solids meters and City of Plano Permitting and Platting	\$252,850.00

Revisions to design to comply with new buildings code and submittal to US Army Corps of Engineers (USACE) for renewal of the Nationwide Permit Pre-Construction Notification	\$94,150.00
Development of easements and tree survey	\$31,050.00
Revised ESA Amount	\$6,377,716.00

Funding in the amount of \$378,050.00 to Hazen and Sawyer, is available utilizing the Regional Wastewater System Extendable Commercial Paper (ECP) Program as the appropriation source; actual issuance of ECP notes will occur as cash needs arise.

- b. Project Nos. 501-0500-18, 505-0501-18, and 506-0538-19, Wastewater Conveyance System 2018 Manhole and Pipeline Improvements

DESCRIPTION	AMOUNT
Original Inspection Services Agreement (ISA)	\$339,250.00
Prior Additional Services	\$395,600.00
Proposed Additional Services	\$20,000.00
Additional funding is necessary to continue inspection services. Construction duration has been impacted by contractor production and weather delays.	
Revised ISA Amount	\$819,850.00

The cumulative amount requested exceeds 25% of the original contract value. NTMWD staff recommends approval of the additional services on this report in lieu of an individual Administrative Memorandum due to the minimal amount being requested and the need to continue construction phase engineering services.

Funding in the amount of \$20,000.00 to Dietz Engineering is to be made available in the Parker Creek Interceptor System FY 2022-23 Proposed Annual Operating Budget contingent upon approval of the Proposed Budget by the Board of Directors.

Project Number	System	Original ISA Amount	Previous Additional Services	Proposed Additional Services (current request)	Revised ISA Amount (current request)	Funding Source (current request)
501-0500-18	Upper East Fork Interceptor System	\$250,750.00	\$395,600.00	\$0	\$646,350.00	N/A

505-0501-18	Parker Creek Interceptor System	\$ 59,000.00	\$0.00	\$20,000.00	\$79,000.00	FY23 Annual Operating Budget
506-0538-19	Sabine Creek Interceptor System	\$29,500.00	\$0.00	\$0	\$29,500.00	N/A
Totals		\$339,250.00	\$395,600.00		\$754,850.00	

c. Project No. 507-0484-17, Buffalo Creek Parallel Interceptor, Phase I

DESCRIPTION	AMOUNT
Original ESA	\$1,345,990.00
Prior Additional Services	\$615,289.09
Proposed Additional Services	\$15,908.00
Re-survey the Buffalo Creek Golf Course easements ahead of construction	
Revised ESA Amount	\$1,977,187.09

The cumulative amount requested exceeds 25% of the original contract value. NTMWD staff recommends approval of the additional services on this report in lieu of an individual Administrative Memorandum due to the minimum amount requested and the need for these services to be completed before construction starts on the Buffalo Creek Golf Course property.

Funding in the amount of \$15,908.00 to Huitt-Zollars, Inc. is available in the Buffalo Creek Interceptor System 2019 Construction Fund

SOLID WASTE SYSTEM

a. None

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

CONSENT AGENDA ITEM NO. 22-09-03

FUNDING EXTENSION AGREEMENT FOR SULPHUR RIVER BASIN AUTHORITY

ACTION (*What*)

Extend funding agreement with the Sulphur River Basin Authority.

PURPOSE (*Why*)

Continue to fund the operations and Water Resource Planning efforts of the Sulphur River Basin Authority through August 31, 2023, for water supply planning purposes. This extension agreement is to be funded by NTMWD, Upper Trinity Regional Water District and the City of Irving.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute an extension to a funding agreement with the Sulphur River Basin Authority:

Contracting Party: Sulphur River Basin Authority (SRBA)

Purpose: Funding Agreement

Project: Water Resource Planning in Sulphur River Basin

Amount: \$67,000

Strategic Objective: 3.3 Durable and Effective Partnerships

DRIVER(S) FOR THIS PROJECT

- | | |
|--|--|
| <input type="checkbox"/> Regulatory Compliance | <input type="checkbox"/> Asset Condition |
| <input type="checkbox"/> Capacity | <input type="checkbox"/> Redundancy/Resiliency |
| <input type="checkbox"/> Relocation or External Requests | <input type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety | <input checked="" type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy | <input type="checkbox"/> Other _____ |

BACKGROUND

PROJECT PURPOSE

- The Funding Agreement (“Agreement”) continues to focus on developing one or more water supply projects in the Sulphur River Basin having a combined projected yield of at least 600,000 acre-feet of water as opposed to focusing solely on Marvin Nichols Reservoir. This Funding Agreement approved initially per Consent Agenda Item No. 19-11-11 at the November 2019 Board meeting, allows for one-year extensions beginning August 31, 2020.
- This action will allow for an additional one-year-year extension beginning August 31, 2022.

ADDITIONAL AGREEMENT COMPONENTS

- The Metroplex water agencies (“Parties”), including NTMWD, Tarrant Regional Water District (TRWD), Upper Trinity Regional Water District (UTRWD), and the City of Irving provided funding for operations, and potentially Water Resource Planning, of the SRBA.
- The City of Dallas decided to not participate in the 2019 funding agreement nor plans to in the one-year extension. Per the terms of the agreement, the other parties cost share increased to \$50,000 for original term of the agreement.
- TRWD has decided to not participate with the funding of SRBA for the upcoming one-year extension and accordingly NTMWD, UTRWD and City of Irving cost share has increased to \$67,000.00 for the one-year extension.
- Each Party (including NTMWD) will have a designee to serve on a consulting committee that will provide expertise, input, and guidance regarding Water Resources Planning and the Sulphur River Basin Authority’s management, administration, and operation.
- NTMWD’s fiscal year (FY) 2023 payment will be made in accordance with the Funding Agreement approved per Consent Agenda Item No. 19-11-11 at the November 2019 Board meeting and will be contingent upon mutual agreement of the Parties to provide equal funding.
- To date, more than \$7 million has been provided by Metroplex water agencies participating in with the SRBA in pursuit of water supply planning studies in the Sulphur River Basin.
- The Initial term of this Agreement was for one year. Per terms of the approved Agreement, the Agreement is being extended for an additional successive one-year period.
- A copy of the proposed Funding Agreement is attached.

FUNDING AGREEMENT FEE

Description	Amount
Sulphur River Basin Authority Budget	\$200,000
NTMWD Funding share (20% authorized per Consent Agenda Item No. 19-11-11)	\$40,000
NTMWD additional funding for original agreement (25% without Dallas Participation per Administrative Memorandum No. 5609)	\$10,000
NTMWD Funding share (one year extension per Administrative Memorandum No. 5609)	\$67,000
NTMWD Funding share (one year extension per Consent Agenda Item No. 21-08-13)	\$67,000
NTMWD Funding share (additional one year extension per this Consent Agenda item	\$67,000
Requested Amount	\$67,000

Total NTMWD Funding Agreement Amount (Original Agreement plus three, one-year extensions per this Consent Agenda Item)	\$251,000
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FUNDING

FUND(S): Funding in the amount of \$67,000 is to be made available in the Proposed 2022-2023 Annual Operating Budget (Account 100-5714-531490 Raw Water Development) contingent upon Board of Director approval of the budget.

**FUNDING AGREEMENT FOR
OPERATION OF THE SULPHUR
RIVER BASIN AUTHORITY**

THIS FUNDING AGREEMENT (the "**Agreement**"), is made and entered into this 1st day of September, 2019, (the "**Effective Date**"), by the SULPHUR RIVER BASIN AUTHORITY, a conservation and reclamation district created and operating pursuant to Article XVI, Sec. 59 of the Texas Constitution (the "**Authority**"), **with each of the following entities, individually:** CITY OF DALLAS, TEXAS ("**Dallas**"), a home rule city organized and operating pursuant to the Texas Constitution and laws of the state of Texas; CITY OF IRVING, TEXAS ("**Irving**"), a home rule city organized and operating pursuant to the Texas Constitution and laws of the state of Texas; NORTH TEXAS MUNICIPAL WATER DISTRICT ("**North Texas**"), a conservation and reclamation district created and operating pursuant to Article XVI, Sec. 59 of the Texas Constitution; TARRANT REGIONAL WATER DISTRICT ("**Tarrant**"), a conservation and reclamation district created and operating pursuant to Article XVI, Sec. 59 of the Texas Constitution; and UPPER TRINITY REGIONAL WATER DISTRICT ("**Upper Trinity**"), a conservation and reclamation district created and operating pursuant to Article XVI, Sec. 59 of the Texas Constitution. **Dallas, Irving, North Texas, Tarrant, and Upper Trinity** are collectively referred to in this **Agreement** as "**Funding Parties**." The **Authority, Dallas, Irving, North Texas, Tarrant, and Upper Trinity** are individually referred to in this **Agreement** as a "**Party**" and collectively referred to in this **Agreement** as "**Parties**."

WITNESSETH:

WHEREAS, the Authority is authorized to provide for the conservation and development of the State's natural resources within the Sulphur River Basin; and

WHEREAS, the Authority has no taxing authority and no other reliable source of funding for its operations, other than the authority to issue bonds, but presently has no near-term projects that are appropriate for a bond issuance; and

WHEREAS, the Authority, in cooperation with the Funding Parties, individually and collectively, has dedicated more than 20 years to the study and analysis of water development in the Sulphur River Basin to understand the current and future water supply resources of the Sulphur River Basin, as well as the current and future water supply demands, strategies, and needs of the citizens, businesses, and other stakeholders both inside and outside of the Sulphur River Basin as related to those water supply resources; and

WHEREAS, Dallas, Irving, North Texas, Tarrant, and Upper Trinity have contracted with the Authority in the past to support its efforts to work cooperatively with them on water planning and related projects ("**Water Resources Planning**"), and have previously contributed more than **\$7.9 million** to the Authority for Water Resources Planning; and

WHEREAS, each Funding Party desires to continue to provide financial support to the Authority in furtherance of the Authority's mission and operations; and

WHEREAS, the Authority has recently hired an Executive Director to perform

management and operational duties, including but not limited to: overseeing the Authority's budget; providing general administrative oversight; managing the Authority's contracts; fostering collaborative relationships with stakeholders both inside and outside of the Sulphur River Basin; engaging in long-term strategic planning; and identifying and addressing other issues facing the Sulphur River Basin that are within the scope of the Authority's mission and authority; and

WHEREAS, each Funding Party supports the efforts of the Authority to improve the quality of life for all within the Sulphur River Basin; and

WHEREAS, each Funding Party previously entered into that certain *Advanced Funding Agreement for Water Resources Planning in the Sulphur River Basin ("Former Advanced Funding Agreement")* between the Authority and the Funding Parties individually; and

WHEREAS, each Funding Party and the Authority recognize that the Former Advanced Funding Agreement has expired and as such the terms of this Agreement shall control and supersede the Former Advanced Funding Agreement except as otherwise provided herein; and

WHEREAS, the Authority, Dallas, Irving, North Texas, Tarrant and Upper Trinity are individually authorized to make and enter into this Funding Agreement under the District Acts, the Dallas City Charter, the Irving City Charter, the Texas Local Government Code, the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code, and other applicable laws.

NOW, THEREFORE, in consideration of the covenants, agreements and undertakings hereinafter set forth, each Funding Party, acting individually by and through its officers duly authorized in each respect by resolutions of its governing body, now agrees and binds itself to the Authority as follows:

ARTICLE I

DEFINITIONS

"Agreement" means this Funding Agreement, including exhibits and any written amendments thereto.

"Authority" or "SRBA" means the Sulphur River Basin Authority.

"Boundaries of the Authority" means the area defined in the Act of May, 29, 1985, 69th Leg., 1st C.S., ch 3, 1985 Tex. Gen. Laws 3798, as amended from time to time, composed of the territories within each county in Texas, other than Fannin County, that are located in whole or in part within the watershed of the Sulphur River and its tributaries upstream from the eastern boundary of Texas.

"Contribution" means the amount specified under Section 3.1 of this Agreement, payable from each Funding Party to the Authority on an annual basis for purposes of funding the ongoing operations of the Authority.

"Consulting Committee" means a committee that will consist of one representative of each Party that shall provide input, guidance and expertise regarding Water Resources Planning and the management, administration and operations of the Authority.

"Effective Date" means September 1, 2019, regardless of the particular date that each Party may execute this Agreement. For purposes of successive automatic one-year extensions of this Agreement as described under Section 5.1, the Effective Date means September 1 of each one-year extension.

"Former Advanced Funding Agreement" means that certain *Advanced Funding Agreement for Water Resources Planning in the Sulphur River Basin* between the Funding Parties individually and the Authority dated effective May 28, 2013, that was subsequently extended until August 31, 2019.

"Funding Party" means Dallas, Irving, North Texas, Tarrant, and Upper Trinity, collectively referred to as **"Funding Parties,"** and who have agreed to provide funding for operations, and potentially Water Resources Planning, of the Authority pursuant to the terms of this Agreement.

"Initial Term" means the first one-year period of this Agreement, commencing on the Effective Date and terminating on August 31, 2020.

"Party" means the Authority, Dallas, Irving, North Texas, Tarrant, and Upper Trinity, individually, and their successors and assigns, collectively referred to as **"Parties"** as signatories to this Agreement.

"Project" means one or more future Sulphur River Basin water supply projects identified by Water Resource Planning with yields that total individually or sequentially up to 727,500 acre-feet.

"Sulphur River Basin" means the watersheds of the Sulphur River and its tributaries within the Boundaries of the Authority.

"Term" means that one-year period from the expiration of the Initial Term of this Agreement to the end of the first successive one-year term, and the one-year period of each successive term thereafter.

"Termination Date" means the expiration date of the Initial Term of this Agreement as to all Parties, which shall be August 31, 2020. For purposes of successive automatic one-year extensions of this Agreement after the expiration of the Initial Term, the Termination Date means the expiration date of each successive one-year extension, which shall be August 31 of the then current term.

"Water Resources Planning" means all work necessary to support state and federal permitting, including but not limited to feasibility, geotechnical, environmental and archeological studies, hydrologic and hydraulic modeling, and preliminary design associated with the identification of future water supply resources to allow development of one or more water supply

projects within the Sulphur River Basin in a manner compatible with state and regional water supply planning.

"Withdrawing Party" means a Funding Party who withdraws from the Agreement prior to the Termination Date as provided for in Section 5.2.

"Withdrawal Notice" means the written notice of a Withdrawing Party's intent to withdraw from the Agreement provided by a Withdrawing Party to each Funding Party and the Authority.

ARTICLE II

TERMINATION OF FORMER FUNDING AGREEMENT

2.1 Termination

Prior to the Effective Date of this Agreement, the Former Advanced Funding Agreement expired pursuant to its terms. As provided in Section 5.01 of the Former Advanced Funding Agreement, the Parties agree that the rights of each Party to participate in any Project pursuant to Article VI of the Former Advanced Funding Agreement survived the expiration of the Former Advanced Funding Agreement and those provisions continue in full force and effect as well as any definitions in Article I of the agreement needed to give effect to the meaning of Article VI. Except for the survival of Article VI of the Former Advanced Funding Agreement as described herein, no other obligations or rights under the Former Advanced Funding Agreement survived its expiration.

ARTICLE III

FUNDING OF OPERATIONS OF THE AUTHORITY

3.1 Amount of Contribution

It is contemplated that the Funding Parties collectively shall make a contribution of \$200,000 to the Authority for the Initial Term of this Agreement and for each successive one-year extension of this Agreement, as such extensions are described under Section 5.1 of this Agreement. Each Funding Party to this Agreement shall make an equal annual Contribution to the Authority for the then current term of the Agreement in the amount of: \$200,000, divided by the number of Funding Parties that execute this agreement with the Authority.

By way of example, if all five (5) of the Funding Parties execute the Agreement, each Funding Party would pay to the Authority one-fifth ($1/5^{\text{th}}$) of the \$200,000 (or \$40,000) for the then current term. Similarly, if only four (4) of the Funding Parties execute the Agreement, each Funding Party would pay to the Authority one-fourth ($1/4^{\text{th}}$) of the \$200,000 (or \$50,000) for the then current term. So long as at least two (2) out of five (5) Funding Parties remain in the Agreement during any given term, the financial provisions of this Section 3.1 apply. However, notwithstanding anything in this Section 3.1 to the contrary, in no event shall a Funding Party be required to pay more than one-half of the \$200,000 (or \$100,000) per year for any term of the Agreement, even if it were the sole Funding Party to execute the agreement.

The annual amounts due under this Section 3.1 will initially be calculated based on the number of Funding Parties that have executed the agreement as of December 1, 2019, and such Contribution payments shall be due and paid to the Authority no later than December 31, 2019. If the execution by another Funding Party after December 1, 2019, causes the amount of the Contribution due by each Funding Party to be reduced under the terms of this Section 3.1, the Authority shall refund the overage paid to any Funding Party who is due such a refund promptly after the additional Contribution is received by the Authority from the late-executing Funding Party. A late-executing Funding Party's initial Contribution payment shall be due and paid to the Authority no later than 30 days after the late-executing Funding Party executes this Agreement. The Authority may send an invoice to a Funding Party that has executed this Agreement to submit payment of its Contribution under this section, which invoice shall be promptly paid.

The annual amounts due under this Section 3.1 for each successive one-year extension of this Agreement will be calculated based on the number of Funding Parties that are participating in the Agreement as of the Effective Date of each one-year extension. Such Contribution payments shall be due and paid to the Authority not later than November 1 of each successive one-year extension of this Agreement, subject to each respective Funding Party's annual appropriations process. If a Funding Party will not extend this Agreement for another one-year term, it shall timely notify the Authority and each other Funding Party as set forth under Section 5.1.

3.2 Budget and Funding from Others

The Authority shall prepare and adopt a budget each year, and shall forward a copy of the adopted budget to each Funding Party. It is the intent of the Authority to seek other sources of funding to help finance its operations and fund any shortfall in its budget that is not funded by the Contributions of the Funding Parties under Section 3.1. The Authority intends to approach local governmental entities in the Sulphur River Basin to seek those additional sources of funding. Nothing in this Agreement shall be construed to restrict or limit the ability of Authority to seek additional sources of funding from, negotiate with, accept grants from, take out loans or debt from, or contract with any local governmental entity, the Texas Water Development Board ("TWDB"), other state or federal agencies, or any other person or entity, for any purpose regarding any matter over which the Authority has jurisdiction or legal authority.

3.3 Purpose of Contributions

All funds provided by a Funding Party to the Authority shall be used by the Authority for the management, administration, operations, and other lawful functions of the Authority, including those related to the items set forth under the Authority's commitment under Article IV of this Agreement. Interest earned on contributions, and other funds paid to the Authority for operations, shall remain available for the management, administration, and operations of the Authority. The Parties agree, to the extent contributions are available, the Authority may use such contributions for Water Resources Planning. The Authority may propose additional expenses for Water Resources Planning not included in the funding amount described under Section 3.1. If one or more of the Funding Parties agree to fund the proposed expenses for Water Resources Planning, the Parties may enter into a separate agreement regarding such additional contributions and the terms and conditions for such additional funding. The Authority agrees that it shall not use any Contribution, or any interest earned thereon, to fund participation, either directly or indirectly, in any opposition to, protest of, or legal proceeding concerning, any existing

or future project or state or federal permitting effort pursued by a Funding Party during the Initial Term or any subsequent Term of this Agreement.

3.4 Consulting Committee

Each Party shall identify or otherwise designate, in writing, one (1) member, and one (1) alternate member, of its staff or governing body to serve on a consulting committee ("**Consulting Committee**") that will provide expertise, input, and guidance regarding Water Resources Planning and the Authority's management, administration, and operations, which is intended to be helpful to, but not binding on, the Authority. The designated alternate member shall act on behalf of, and in place of, its Party's designated member in that member's absence. The Consulting Committee will meet on an as-needed basis either at the call of the Authority or at the request of a Funding Party. To the extent a decision is required by the Consulting Committee, each committee member shall have one (1) vote on such decision. If a Party decides to change either its member or its alternate member, the Party shall provide written notice of such change to all Parties. If new Parties are added in the future, each new Party shall also be allowed to designate one (1) member, and one (1) alternate member, of its staff to serve on the Consulting Committee.

ARTICLE IV

AUTHORITY'S COMMITMENT

4.1 Improve the Authority's Operations and Further Its Mission

During the term of this Agreement, the Authority commits to pursue the following activities in good faith:

(A) Proactively guide water planning, development, and conservation in the Sulphur River Basin in keeping with the Authority's mission; and

(B) Engage in regional and state water planning with the Funding Parties and with local interests in the Sulphur River Basin, as well as other key partners and stakeholders, to facilitate the development of effective long-term strategic water plans and water supply strategies; and

(C) Build and maintain positive relationships with key stakeholders in the Sulphur River Basin, including water users and suppliers, local public officials, water suppliers, the media, and citizens; and

(D) Seek funding from local partners in the Sulphur River Basin to help meet the ongoing budgetary needs of the Authority; and

(E) Seek potential financial investment opportunities for water development projects in the Sulphur River Basin from local water districts, cities, other local government entities, or other persons when engaging in water planning and the potential development of additional water supplies in the Sulphur River Basin; and

(F) Evaluate and pursue other services that the Authority can provide in the Sulphur River Basin, including without limitation water quality initiatives, such as the Clean Rivers Program,

and implementation of the new flood planning enacted during the 86th Session of the Texas Legislature, including evaluating the impacts of such legislation on the Authority's operations and on water planning or policy in the Sulphur River Basin; and

(G) Develop the Authority into a leader for positive and proactive water planning and policy in the Sulphur River Basin.

4.2 Deliverables and Reports

(A) The Authority agrees to share all data, reports, models, permit applications, permits and any other information developed in association with Water Resources Planning with the Funding Parties for the independent use of each of the Funding Parties. Previously completed work related to Water Resources Planning is identified in Exhibit A.

(B) The Authority shall provide a progress report of its operations, administration and management, including a summary of expenditures, to the Funding Parties on March 1 and June 1 of the Initial Term, and on December 1, March 1, and June 1 of each successive Term. On August 31 of the Initial Term and each successive Term, the Authority shall provide the Funding Parties with an annual report summarizing its operations, administration and management for the year, including a summary of expenditures, any actions taken by the governing board of the Authority, and any Water Resources Planning undertaken by the Authority.

ARTICLE V

TERM OF AGREEMENT

5.1 Term of Agreement

The Initial Term of this Agreement shall be from the Effective Date through August 31, 2020 (the "Initial Term"). After the Initial Term, the term of this Agreement will automatically be extended for additional successive one-year periods unless any Funding Party provides written notice to the Authority and each other Funding Party of its intent not to so extend the term at least thirty (30) days before the expiration of the then current term or unless the Authority provides notice of termination under Section 5.2. Nothing herein prevents a Withdrawing Party or the Authority from withdrawing from the Agreement at any time during the Initial Term or any successive one-year term, provided a Withdrawing Party or the Authority complies with the requirements under Section 5.2.

5.2 Termination of Agreement as to Withdrawing Party

This Agreement shall terminate as to a Withdrawing Party ("*Withdrawing Party*") upon the expiration of thirty (30) days prior written notice ("*Withdrawal Notice*") of the Withdrawing Party's intent to withdraw, which shall be delivered to each Funding Party and the Authority. A Withdrawing Party agrees to make a good faith effort to notify the Authority and the other Funding Parties of its intent to withdraw from this Agreement prior to providing the Withdrawal Notice. Termination shall only be effective as to the Withdrawing Party, and shall not effect a termination of the Agreement as to the other Funding Parties. Notwithstanding the foregoing, (1) once a Funding Party has executed this Agreement, the Funding Party's duty to pay its full Contribution under Section 3.1 for the Initial Term and each successive one-year extension in

which the Funding Party participates shall become absolute regardless of whether the Funding Party later becomes a Withdrawing Party: (2) termination of the Agreement as to the Withdrawing Party shall not be effective until any such outstanding payments due from the Withdrawing Party for its then current year Contribution under this Agreement have been paid to and received by the Authority; and (3) the Withdrawing Party forfeits all of its Contributions to the Authority, which shall not be refunded by the Authority. The Authority may terminate the Agreement by providing written notice to each of the Funding Parties no later than 60 days prior to the expiration of the then-current term that it intends to terminate at the expiration of the then-current term.

ARTICLE VI

MISCELLANEOUS PROVISIONS

6.1 Waiver

Any waiver at any time by any Party of its rights with respect to default under this Agreement shall not be deemed a waiver of such rights with respect to any subsequent default or matter.

6.2 Remedies

Nothing in this Agreement shall be construed as, in any manner, to abridge, limit or deprive any Party hereunto of any means which it would otherwise have of enforcing any right or remedy either in law or in equity for breach of any of the provisions hereof.

6.3 Choice of Law

The Parties hereby agree and acknowledge that the place for performance by the Funding Parties and payment of funds hereunder is Bowie County, and venue for any suits arising from this Agreement shall be proper in Bowie County, Texas.

6.4 No Third Party Beneficiaries

The Parties are entering into this Agreement solely for the benefit of themselves and agree that nothing in this Agreement shall be construed to confer any right, privilege or benefit on any person or entity other than the Parties.

6.5 Applicable Laws and Regulations

This Agreement is subject to all applicable federal, state, and local laws and any applicable ordinances, rules, orders, and regulations of any local, state or federal governmental authority having jurisdiction.

6.6 Cooperation

The Parties shall fully cooperate with and assist one another in obtaining all licenses, permits, authorizations, approvals, and consents required in or related to the performance of this Agreement.

6.7 Assignment

The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, and legal representatives of each Party. No Party may assign this Agreement or any of its rights, obligations, without the prior unanimous written consent of the other Parties, which consent of the other Parties will not be unreasonably withheld.

6.8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or oral or written agreements between the Parties respecting the subject matter of this Agreement.

6.9 Severability

The provisions of this Agreement are severable and if, for any reason, any one or more of the provisions contained in the Agreement shall be held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement and this Agreement shall remain in effect and be construed as if the invalid, illegal, or unenforceable provision had never been contained in the Agreement.

6.10 Captions

The sections and captions contained herein are for convenience and reference only and are not intended to define, extend, or limit any provision of this Agreement.

6.11 Good Faith Dealings

The Parties undertake to act in good faith in relation to the performance and implementation of this Agreement and to take such other reasonable measures as may be necessary for the realization of its purpose and objectives. Each Party agrees that it will not initiate a dispute against another Party unless the Party raising the dispute in good faith believes its position is legitimate. The Parties agree to attempt to resolve all disputes arising hereunder promptly, equitably, and in a good faith manner. The Parties further agree to provide each other with reasonable access, during normal business hours, to any and all non-privileged records, information, and data pertaining to any such dispute.

6.12 Relationship of the Parties

This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation or liability upon any of the Parties. None of the Parties shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or

representative of, or to otherwise bind, any of the other Parties.

6.13 Remedies and Third-Party Claims

(A) Upon the violation or breach by any Party of any of the terms, provisions, covenants, representations, or warranties of this Agreement, the other Parties may pursue any available remedy, at law or in equity, including, but not limited to, specific performance.

(B) The pursuit by any Party of any remedy available under this Agreement shall not constitute an election or waiver of any other remedy available to that Party, at equity or in law, by reason of violation or breach of any of the terms, provisions, covenants, representations, or warranties of this Agreement. No waiver of any violation or breach shall be deemed or construed to constitute a waiver of any other violation or breach, and forbearance to enforce one or more of the remedies available for a violation or breach shall not be deemed to constitute a waiver of that or any other violation or breach.

6.14 Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

ARTICLE VII

NOTICES

7.1 Notices

Notices required by the Agreement shall be in writing. The same shall be delivered by mailing certified mail, postage paid, return receipt requested, or its equivalent, to the respective Parties at the following addresses:

Authority: Executive Director
Sulphur River Basin Authority
911 North Bishop Street, Suite 104
Wake Village, TX 75501

Dallas: City Manager
Dallas City Hall
1500 Marilla Street
Room 4EN
Dallas, TX 75201

Irving: City Manager
Irving City Hall

825 West Irving Blvd.
Irving, TX 75060

North Texas: Executive Director
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098

Tarrant: General Manager
Tarrant Regional Water District
800 East Northside Drive
Fort Worth, Texas 76102

Upper Trinity: Executive Director
Upper Trinity Regional Water District
900 N. Kealy Street
P.O. Drawer 305
Lewisville, Texas 75067

Any Party may change its address as shown above by written notice to the other Parties. Notices are effective upon receipt.

IN WITNESS WHEREOF, each Party hereto acting under the authority of its respective governing bodies has caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original, all as of the Effective Date.

AUTHORITY:
SULPHUR RIVER BASIN AUTHORITY

By: Meg Shelton

Name: Meg Shelton

Title: Executive Director

DALLAS:
CITY OF DALLAS, TEXAS

By: _____

Name: _____

Title: _____

NORTH TEXAS:

NORTH TEXAS MUNICIPAL WATER DISTRICT

By: Thomas W. Kula

Name: Thomas W. Kula

Title: Executive Director

TARRANT:

TARRANT REGIONAL WATER DISTRICT

By: _____

Name: _____

Title: _____

IRVING:

CITY OF IRVING, TEXAS

By: _____

Name: _____

Title: _____

UPPER TRINITY:

UPPER TRINITY REGIONAL WATER DISTRICT

By: _____

Name: _____

Title: _____

**NORTH TEXAS:
NORTH TEXAS MUNICIPAL WATER DISTRICT**

By: _____

Name: _____

Title: _____

**TARRANT:
TARRANT REGIONAL WATER DISTRICT**

By: _____

Name: _____

Title: _____

**IRVING:
CITY OF IRVING, TEXAS**

By: _____

Name: _____

Title: _____

**UPPER TRINITY:
UPPER TRINITY REGIONAL WATER DISTRICT**

By: Richard Lubke

Name: Richard Lubke

Title: President



NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

CONSENT AGENDA ITEM NO. 22-09-04

INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF PLANO AND THE NORTH TEXAS MUNICIPAL WATER DISTRICT REGARDING CITY IMPROVEMENTS TO ITS SEWER SYSTEM UPSTREAM OF THE PLANO SPRING CREEK LIFT STATION NO. 2 PROJECT NO. 501-0618-22

RESOLUTION NO. 22-40

ACTION (*What*)

Authorize the execution of an Interlocal Cooperation Agreement (ILA) with the City of Plano (City).

PURPOSE (*Why*)

The City is improving its sewer system upstream of NTMWD's Plano Spring Creek Lift Station No. 2 which requires close coordination with NTMWD's operation of the lift station. This ILA has been prepared to outline the obligations of each party.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute an ILA with the City of Plano as follows:

- 1) Authorize the Executive Director to execute an Interlocal Cooperation Agreement with the City of Plano
- 2) Adopt Resolution No. 22-40, *"A Resolution Authorizing an Interlocal Cooperation Agreement between the City of Plano and the North Texas Municipal Water District Regarding City Improvements to its Sewer System Upstream of the Plano Spring Creek Lift Station No. 2, Project No. 501-0618-22."*

Contracting Party: City of Plano

Purpose: Execution of Interlocal Cooperation Agreement

Project: No. 501-0618-22, ILA between the City of Plano and the NTMWD Regarding City Improvements to its Sewer System Upstream of the Plano Spring Creek Lift Station No. 2

Amount: N/A

Strategic Objective: 3.3 Durable Strategic Partnerships

DRIVER(S) FOR THIS PROJECT

<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input checked="" type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

BACKGROUND

- The City is planning a project to improve its sewer system upstream of NTMWD's Plano Spring Creek Lift Station No. 2. The project will require close coordination with NTMWD's operation of the Lift Station during three phases of the project in which the City will bypass pump six sections of its system in order to construct the improvements.
- The City and NTMWD have met on several occasions to coordinate the sequence of construction and bypass pumping. In May 2022, the City requested a list of commitments from NTMWD regarding operation of the Plano Spring Creek Lift Station No. 2. NTMWD staff recommend an ILA be drafted to document the commitments each entity agree on prior to construction.

INTERLOCAL AGREEMENT

- NTMWD owns and operates its Plano Spring Creek Lift Station No. 2 (referred to as "PSCLS") located at 485 Accent Drive, Plano Texas.
- The City has proposed certain improvements to its sewer system (referred to as the "Project"), which convey flows into NTMWD's PSCLS.
- The City's Project will require close coordination with NTMWD's operation of the PSCLS to maintain wastewater flows into the PSCLS during construction of the Project.
- The City has proposed to install and operate, through its selected contractor, temporary facilities to maintain conveyance of wastewater flows (referred to as "Bypass Facilities") into NTMWD's PSCLS during construction of the Project which are attached hereto as Exhibit A and incorporated herein by reference.
- The City's Project requires NTMWD to employ a certified pipeline inspector to oversee construction activities and coordinate construction of the Project with NTMWD's wastewater operations department.
- NTMWD will not be responsible for any property or environmental damages caused by the City's operation of the Bypass Facilities.
- The City shall reimburse the NTMWD for all legal fees regarding this ILA currently estimated at \$3,000.
- The City shall reimburse the NTMWD for all inspection fees regarding the Project currently estimated at \$7,000.
- A copy of the ILA is attached.

FUNDING

FUND(S): Funding in the estimated amount of \$10,000 is to be made available in the Upper East Fork Interceptor System Capital Improvement Fund. NTMWD will invoice the City of Plano on a monthly basis as documented in section 2.02 of the ILA.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 22-40

A RESOLUTION AUTHORIZING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF PLANO AND THE NORTH TEXAS MUNICIPAL WATER DISTRICT REGARDING CITY IMPROVEMENTS TO ITS SEWER SYSTEM UPSTREAM OF THE PLANO SPRING CREEK LIFT STATION NO. 2 PROJECT NO. 501-0618-22

WHEREAS, NTMWD owns and operates the Plano Spring Creek Lift Station No. 2 (referred to as "PSCLS") located at 485 Accent Drive, Plano Texas; and

WHEREAS, the City of Plano (City) has proposed certain improvements to its wastewater infrastructure which convey flows into NTMWD's PSCLS (Project); and

WHEREAS, the City's Project will require close coordination with NTMWD's operation of the PSCLS to maintain wastewater flows into the PSCLS during construction of the Project; and

WHEREAS, the City has proposed to install and operate, through its selected contractor, temporary facilities to maintain conveyance of wastewater flows (Bypass Facilities) into NTMWD's PSCLS during construction of the Project; and

WHEREAS, the City's Project requires NTMWD to employ a certified pipeline inspector to oversee construction activities and coordinate construction of the Project with NTMWD's wastewater operations department; and

WHEREAS, the City will reimburse the NTMWD for all inspection fees and legal fees associated with the Project; and

WHEREAS, NTMWD will not be responsible for any property or environmental damages caused by the City's operation of the Bypass Facilities.

WHEREAS, it is necessary to execute an Interlocal Cooperation Agreement with the City to outline the obligations of each party.

NOW, THEREFORE, THE BOARD OF DIRECTORS IN A REGULAR MEETING RESOLVES THAT:

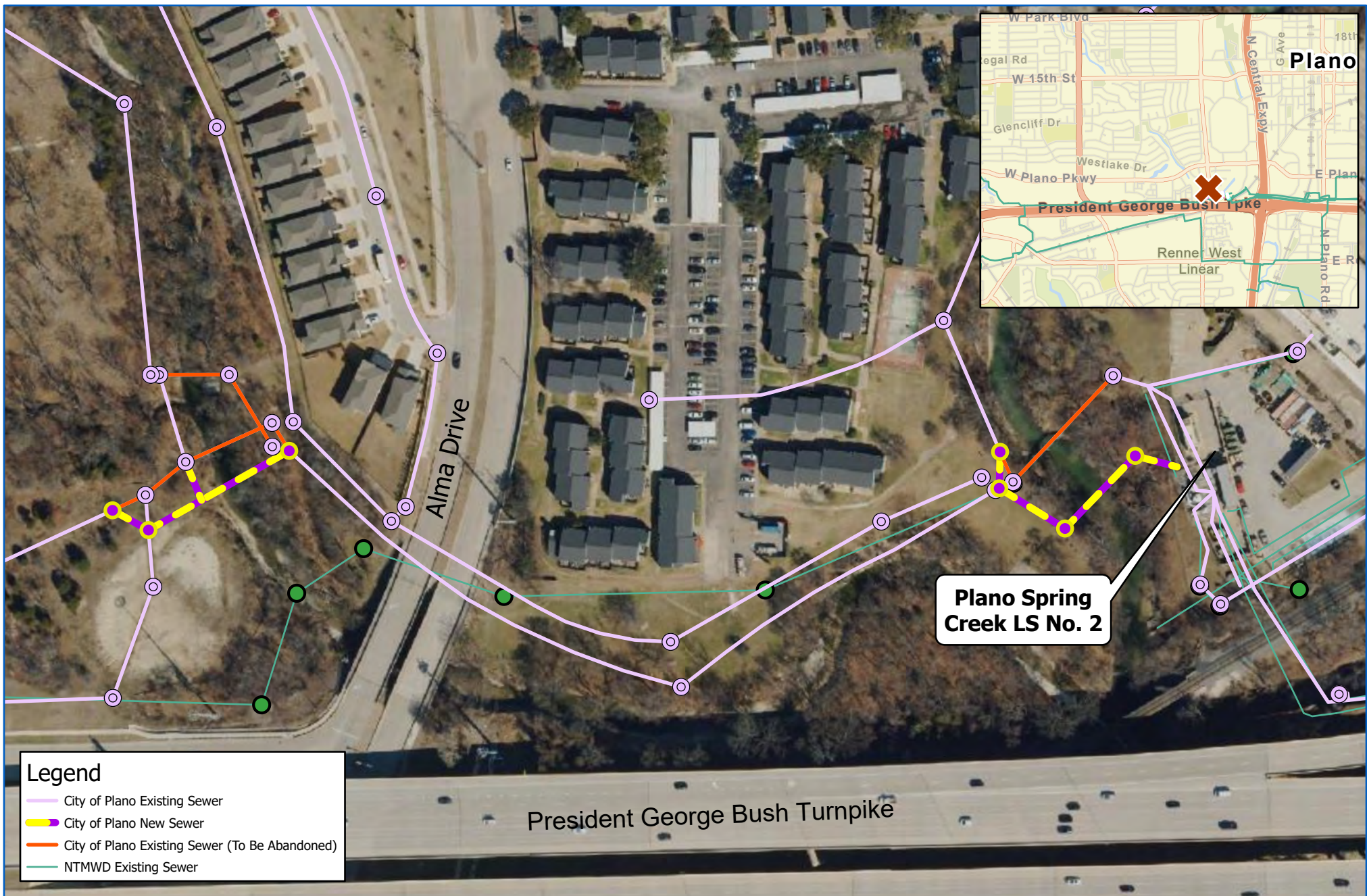
1. There is a public need for, and the public welfare and convenience are to be served by the construction of the Project.
2. The Executive Director is authorized to execute the Interlocal Cooperation Agreement with the City.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON SEPTEMBER 22, 2022, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.

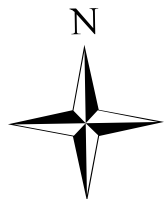
GEORGE CRUMP, Secretary

JACK MAY, President

(SEAL)



**Interlocal Agreement between the City of Plano and NTMWD regarding Plano's
Sewer Improvements Upstream of the Plano Spring Creek Lift Station No. 2
Project No. 501-0618-22
Consent Agenda Item No. 22-09-04**



**INTERLOCAL COOPERATION AGREEMENT
BETWEEN NORTH TEXAS MUNICIPAL WATER DISTRICT
AND CITY OF PLANO**

STATE OF TEXAS

§

COUNTY OF COLLIN

§

§

This Interlocal Cooperation Agreement (Agreement) is made and entered into on this ____ day of _____ 2022 by and among the North Texas Municipal Water District (referred to as "NTMWD"), a governmental agency and body politic and corporate, organized and existing by virtue of Article XVI, Section 59 of the Texas Constitution, and Article 8280-141 of the Revised Civil Statutes of the State of Texas, whose address is 501 E. Brown Street, P.O. Box 2408, Wylie, Texas 75098, and City of Plano (referred to as "City"), whose address is 1520 K Avenue, Plano, Texas 75074.

WHEREAS, NTMWD owns and operates its Plano Spring Creek Lift Station No. 2 (referred to as "PSCLS") located at 485 Accent Drive, Plano Texas; and

WHEREAS, the City has proposed certain improvements to its wastewater infrastructure which convey flows into NTMWD's PSCLS (referred to as the "Project"); and

WHEREAS, the City's Project will require close coordination with NTMWD's operation of the PSCLS to maintain wastewater flows into the PSCLS during construction of the Project; and

WHEREAS, the City has proposed to install and operate, through its selected contractor, temporary facilities to maintain conveyance of wastewater flows (referred to as "Bypass Facilities") into NTMWD's PSCLS during construction of the Project which are attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, the City's Project requires NTMWD to employ a certified pipeline inspector to oversee construction activities and coordinate construction of the Project with NTMWD's wastewater operations department; and

WHEREAS, the City will reimburse the NTMWD for all inspection fees and legal fees associated with the Project; and

WHEREAS, NTMWD will not be responsible for any property or environmental damages caused by the City's operation of the Bypass Facilities.

NOW THEREFORE, in consideration of the mutual covenants contained herein, City of Plano and NTMWD agree as follows:

ARTICLE ONE

Coordination of the Project

1.01 NTMWD hereby agrees to make reasonable efforts to coordinate the operation of the PSCLS with the City for the City to complete construction of its proposed Project. City shall provide a complete set of construction plans to NTMWD for review prior to constructing the Project. Preliminary construction plans are attached hereto as Exhibit A and incorporated herein by reference.

1.01.1 NTMWD agrees to perform the following tasks in support of the City of Plano's Project:

1.01.1.1 Task No. 1: Coordinate with City staff, City consulting engineer and City contractor to jointly develop an acceptable shutdown schedule and bypass pumping plan.

1.01.1.2 Task No. 2: Provide construction inspector to coordinate work on-site during City bypass pumping.

1.01.1.3 Task No. 3: Pump the PSCLS wet well down below the 36-inch invert elevation and hold for up to one hour during dry weather while the City Contractor installs/removes plugs or performs other construction activities approved by NTMWD.

1.01.2 The City of Plano agrees to perform the following tasks during the construction of its Project:

1.01.2.1 Task No. 1: City of Plano, City consulting engineer, and City contractor to prepare and submit NTMWD's Shutdown Form for NTMWD's review and approval a minimum of 3 weeks before bypassing work. The Shutdown Form must be approved before City-bypassing work will be allowed to commence.

1.01.2.2 Task No. 2: City must ensure that NTMWD (Operations) is notified no less than 1 week in advance of field work and that NTMWD be onsite before start of City-bypassing operations.

1.01.2.3 Task No. 3: The Plano Spring Creek Lift Station No. 2 is currently under expansion. NTMWD's contractor is onsite. Access to the site is limited and must be coordinated with NTMWD before the City-contractor can access the lift station site and perform the bypass work to the wet well.

1.01.2.4 Task No. 4: City must completely install and leak test all improvements prior to final connection into NTMWD's

wastewater system to mitigate inflow and infiltration of stormwater entering NTMWD's system.

1.02 City agrees that any future changes not included in the approved construction plans, including but not limited to additions, expansions, replacement, and/or reconstruction, except in the case of an emergency, shall not be done without NTMWD's prior written consent. NTMWD reserves the right to deny any future changes or modification to this Agreement and the approved construction plans if NTMWD determines in good faith that the proposed additions, expansions, replacements and/or reconstruction of the Project would materially and adversely interfere with NTMWD's wastewater operations.

1.03 The limited purpose of this Agreement is to provide consent to the Project provided that the Project is completed and maintained in accordance with the terms of this Agreement. City shall secure any other rights of way, easements, and/or permits from any parties holding interests necessary for the Project. Except as provided for herein, nothing contained herein shall be construed as impairing any rights or privileges of NTMWD.

ARTICLE TWO

Reimbursement for Fees

2.01 Reimbursement of NTMWD Fees. City agrees to reimburse NTMWD for the performance of the tasks necessary and related to NTMWD's coordination of City's Project ("Reimbursement Payments"). NTMWD will use the Reimbursement Payments by City for costs NTMWD incurs in providing the following services:

A. Legal Fees: City shall reimburse the NTMWD for all reasonable legal and filing fees associated with the Project.

B. Inspection Fees: City shall reimburse NTMWD for inspection staff that will make periodic visits to the construction site to inspect the work and meet with City staff and/or contractor to discuss the Project.

1. Coordination of Inspections: City and/or its contractor shall notify, in writing, NTMWD's inspection staff 48 hours in advance of any site inspection. NTMWD's inspection staff shall be notified of the scope of inspection(s) and date work will be ready to inspect.

2.02 Reimbursement Payment: NTMWD shall provide City with an itemized invoice of legal, design review and inspection fees pertaining to the Project on a monthly basis. City shall have 30 calendar days after the mailing of the invoice to submit payment to NTMWD. **The total estimated amount for the services is \$10,000.00 as itemized below:**

1. Legal Fees: Total estimated amount \$3,000
2. Inspection Fees: Total estimated amount \$7,000.

These estimated amounts for legal fees and inspection fees are subject to change based on costs actually and reasonably incurred by NTMWD. However, NTMWD shall provide written notice to the City in the event the Reimbursement Payment is expected to exceed or exceeds \$10,000.

ARTICLE THREE

Term

3.01 This Agreement shall be effective upon approval by the City of Plano and NTMWD Board of Directors and subsequent execution by City's Mayor and NTMWD's Executive Director. The effective date will be the latter of the dates this Agreement is executed by the Parties authorized representatives.

ARTICLE FOUR

Indemnity

4.01 To the extent permitted by law, City shall indemnify, defend and hold harmless NTMWD, its officers, directors, employees, contractors, successors, and assigns (collectively "NTMWD Indemnified Parties") from and against all loss, liability, damages, claims, suits, demands, costs, and expenses, including, reasonable and necessary attorney fees, expert fees, and court costs, and consequential damages incurred by NTMWD or the NTMWD Indemnified Parties or any third parties ("Claims") for (a) injury (including death) to the contractors, subcontractors, employees, invitees, and/or guests of City arising out of or resulting from the construction, installation, maintenance, repair, operation, replacement, or removal of the Bypass Facilities or Project, except in the case of the gross negligence or willful misconduct of NTMWD or any NTMWD Indemnified Parties, or (b) loss of or damage to Plano Spring Creek Lift Station No. 2 arising out of or resulting from the maintenance, repair, replacement, operation, or removal of Bypass Facilities or Project or anything associated therewith, except in the case of the negligence or willful misconduct of NTMWD or any NTMWD Indemnified Parties.

This indemnification clause is valid only to the extent permitted by the laws and the constitution of the State of Texas, particularly Section 5 of Article XI of the Texas Constitution, and with the mutual understanding that the City of Plano is a political subdivision of the State of Texas and that this executory indemnity obligation cannot be paid from current revenues and that no tax nor interest and sinking fund has been set, adopted or established for the payment of this executory indemnity obligation. The City of Plano is not waiving or limiting its rights, defenses, remedies, or immunities that would exist by law in the absence of this provision.

ARTICLE FIVE

Immunity

5.01 It is expressly understood and agreed that, in the execution of this agreement, neither Party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the Parties do not create any obligations, expressed or implied, other than those set forth herein, and this Agreement shall not create any rights in parties not signatories hereto.

ARTICLE SIX

Notices

6.01 All notices required under the provisions of this Agreement must be in writing, hand-delivered or sent by registered or certified mail to the addresses below:

City of Plano: Mark D. Israelson
City Manager
1520 K Avenue
Plano, Texas 75074

NTMWD: Jennafer P. Covington
Executive Director
P.O. Box 2408
Wylie, TX 75098

The name and address for notification may be changed by notice to the other parties.

ARTICLE SEVEN

Severability

7.01 The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation having the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.

ARTICLE EIGHT

Successors and Assigns

8.01 This Agreement shall be binding upon the Parties hereto, their successors and assigns. Neither Party will assign or transfer an interest in this Agreement without the written consent of the other Party.

ARTICLE NINE

Venue

9.01 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. The Parties agree that this Agreement is performable in Collin County, Texas, and that exclusive venue shall lie in a state court in Collin County, Texas.

ARTICLE TEN

Interpretation and Recitals

10.01 This is a negotiated document and should any part of this Agreement be in dispute, the Parties agree that the Agreement shall not be construed more favorably for either Party. All of the recitals to this Agreement are incorporated into and shall constitute part of this Agreement.

ARTICLE ELEVEN

Remedies, Non-Waiver

11.01 No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy granted by law or equity, but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without the express written consent of the Parties. It is further agreed that one or more instances of forbearance by either Party in the exercise of its respective rights under this Agreement shall in no way constitute a waiver thereof.

ARTICLE TWELVE

Entire Agreement

12.01 This Agreement embodies the entire agreement between the Parties and may only be modified in writing executed by both Parties.

EACH PARTY HERETO ACKNOWLEDGES THAT THEY HAVE READ AND UNDERSTAND THE EFFECT OF THIS AGREEMENT, HAVE BEEN ADVISED BY COUNSEL AS TO THE EFFECT OF THIS AGREEMENT, AND EXECUTES THE AGREEMENT OF THEIR OWN FREE WILL AND ACCORD FOR THE PURPOSES AND CONSIDERATIONS SET FORTH.

IN WITNESS WHEREOF, North Texas Municipal Water District and the City of Plano have caused this Agreement to be executed either on their behalf by their duly authorized representatives or personally, as of the date first set above.

(signature page will follow)

EXECUTED this 24th day of August, 2022.

City of Plano, Texas

By: [Signature]
Name: MARK D. ISRAELSON
Title: City Manager

STATE OF TEXAS

§

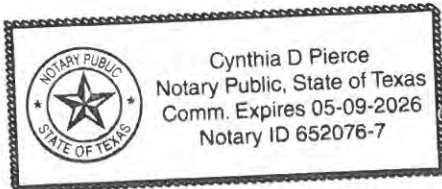
§

COUNTY OF COLLIN

§

This instrument was acknowledged before me on August 24, 2022, by Mark D. Israelson, City Manager, City of Plano.

[Signature]
Notary Public, in and for the
State of Texas.



EXECUTED this _____ day of _____, 2022.

North Texas Municipal Water District

By: _____
Name: _____
Title: _____

STATE OF TEXAS

§

§

COUNTY OF COLLIN

§

This instrument was acknowledged before me on _____, 2022,
by _____ of the NORTH
TEXAS MUNICIPAL WATER DISTRICT, a governmental agency and body politic and
corporate, on behalf of said agency and body politic and corporate.

Notary Public, in and for the
State of Texas



NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 22-41

A RESOLUTION COMMENDING DIRECTOR BRENDA JEAN PATRICK FOR HER SERVICE AS A MEMBER OF THE NTMWD BOARD OF DIRECTORS

WHEREAS, Brenda Jean Patrick was appointed to the NTMWD Board of Directors in 2019 representing the City of Mesquite; and,

WHEREAS, Brenda Jean Patrick served on the Solid Waste, Personnel and Legislative Committees providing insight and direction based on her unique and valuable perspective; and,

WHEREAS, Brenda Jean Patrick always expressed her love and respect for NTMWD and Mesquite, as well as sought ways to promote engagement between the District and her community; and,

WHEREAS, Brenda Jean Patrick freely shared words of encouragement and motivation as well as her quick witted humor with fellow directors and staff alike; and,

WHEREAS, Brenda Jean Patrick has worked for the betterment of the NTMWD region and the City of Mesquite during her tenure in office.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT THAT:

Brenda Jean Patrick has served as a distinguished Director of the North Texas Municipal Water District from 2019 to 2022 by sincere and honest efforts to always improve and enhance NTMWD programs and activities. The thanks of the NTMWD Board of Directors, staff, and cities served cannot express the true appreciation deserved.

**THIS RESOLUTION PASSED BY THE NTMWD BOARD OF DIRECTORS ON THIS
THE 22nd DAY OF SEPTEMBER, 2022.**

GEORGE CRUMP, Secretary

JACK MAY, President

(SEAL)

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5857

AMENDMENTS TO BOARD POLICIES MANUAL

ACTION (*What*)

Authorize amendments to the Board Policies Manual within the following Sections:

- I. District Policy
 - II. Executive Director/General Manager
 - IV. Board of Directors Rules of Procedure
 - VI. Education and Development Expenses
 - VII. Board of Directors Committee Policy
 - VIII. Standards of Conduct
 - IX. Board of Directors Meeting Agenda and Action Items
 - XI. Board Member Retirement Recognition Program
 - XII. Board/Staff Communication Policy
-

PURPOSE (*Why*)

Since the original adoption of the Board Policies Manual in 2017, the manual has gone through periodic amendments to comply with changes in State Law, update processes for efficiencies, revise policies for transparencies, and clarify language for more accurate interpretation. In this set of proposed revisions, the amendments fall into these same four categories.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors amend the afore mentioned sections to the Board Policies Manual.

Strategic Objective: 3.4: Effective Organizational Communication, and 4.1: Highly Skilled Workforce

This was an item on the August 10, 2022, and September 7, 2022, Policy Committee meeting agendas.

DRIVER(S) FOR THIS PROJECT

- | | |
|--|---|
| <input type="checkbox"/> Regulatory Compliance | <input type="checkbox"/> Asset Condition |
| <input type="checkbox"/> Capacity | <input type="checkbox"/> Redundancy/Resiliency |
| <input type="checkbox"/> Relocation or External Requests | <input type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety | <input type="checkbox"/> Administrative |
| <input checked="" type="checkbox"/> Policy | <input type="checkbox"/> Other |

BACKGROUND

- Prior to 2017, the District had various policies related to the Board of Directors.
- In an effort to consolidate the existing policies and provide a comprehensive update to business practices, the District created a Board Policies Manual.
- Since 2017, the Board Policies Manual has been amended six times.
- The majority of proposed amendments are minor edits and clarifications with more substantive changes in Sections IV, VI, VII, VII, IX and XII. Amendments due to statutory changes are recommend in Sections IV and VII.
- On September 7, 2022, the Policy Committee reviewed this item and recommended adoption of amendments to the Board of Directors.
- Attached is a copy of the redlined version of the proposed changes to the Board Policies Manual.

North Texas Municipal Water District

Board Policies Manual

Adopted August 2017

Amended December 2018

Amended January 2019

Amended October 2019

Amended March 2020

Amended May 2020

Amended June 2020

Amended September 2022

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SECTION I. DISTRICT POLICY

All authority for the North Texas Municipal Water District ("NTMWD") is derived from the legislative act creating NTMWD, Art. 8280-141, Vernon's Annotated Texas Civil Statutes, as amended (the "Enabling Act"). The Enabling Act ~~places all powers of~~ provides that NTMWD ~~on~~ is governed by the Board of Directors (the "Board"). From time to time, the Board adopts written policies to govern operations and administration of NTMWD as discussed in this Section I.

~~To enable the sale of NTMWD's original revenue bonds, the Board agreed to the terms of the Bond Indentures, which became the second written group of special regulations. Of necessity, NTMWD must operate under all state law pertaining to corporate entities that are applicable; therefore, the Board of Directors operates within a framework of written law and regulations.~~

~~The remaining regulations are those policies established by the Board for the operation of NTMWD. In an effort to clarify and provide permanent records on Board policies, the following procedure shall be established and all future policy questions shall be submitted in accordance therewith.~~

1.1 Submission

All proposed policies shall be submitted to the Board in written form and be numbered for future reference. Additional written memoranda, recommendations from consultants, and verbal testimony may also be submitted.

1.2 Consideration and Approval

All policy matters shall be considered by the Board, but may be referred to a committee for study and recommendation. A majority of an official quorum at a regular or special meeting shall be necessary to approve any policy. Policy matters may be considered at regular meetings of the Board when placed on the regular agenda or consent agenda and at special meetings when each member has been notified by mail, electronic mail, facsimile, or telephone at least 72 hours prior to the special meeting.

1.3 Codification

All policies approved by the Board shall be signed by the President and Secretary. As soon as practical thereafter, all policies shall be codified into the appropriate manual of NTMWD Policies to be utilized by the Board and employees of NTMWD.

SECTION II. EXECUTIVE DIRECTOR/GENERAL MANAGER

The Board of Directors of NTMWD, in accordance with the Enabling Act, has created the position of Executive Director/General Manager (“ED/GM”) with the following provisions.

2.1 Appointment

The Board shall appoint and remove an ED/GM who shall be the chief administrative officer and general manager of NTMWD.

2.2 Duties and Responsibilities

The ED/GM shall be responsible to the Board for the proper and efficient operation of NTMWD within the laws of the State of Texas, the Bond Indentures of NTMWD, and NTMWD policy. He or she shall appoint and supervise all employees of NTMWD and may at will remove any employees, in accordance with state and federal employment laws. In order to ensure succession and the smooth transition of duties, the ED/GM may adjust the number of employee positions approved by the Board in the Salary Plan set forth in the current Annual Budget by adding any new out-of-budget cycle positions and/or double-slotting key positions, if such adjustments are budget-neutral. If NTMWD resources above those approved in the current Annual Budget are necessary to fund the position change, then Board approval shall be required. Private consultants (engineers, attorneys, financial advisors, and accountants) may be employed by the Board or ED/GM, and it will be the responsibility of the ED/GM to supervise and coordinate the authorized work of the consultants. The ED/GM shall make recommendations to the Board on such matters as he or she may deem necessary or expedient, and shall keep the Board advised as to the financial condition and needs of NTMWD. The ED/GM shall prepare annually a plan for filling interim vacancies on the Executive Team (including the GM/ED and Deputy Directors), in case of the incumbents’ temporary absence from job duties, or if an interim is needed pending the Board’s selection of a permanent replacement. The ED/GM may also designate someone to act on his or her behalf during a specific temporary absence such as a vacation or sick leave, and such designee is authorized to execute documents and take such action as needed on behalf of the ED/GM for the time period specified in the designation. The Directors of each city shall be notified of any significant District activities that could affect that city as soon as practicable.

2.3 Meetings

The ED/GM shall attend all special and regular meetings of the Board and committees thereof, with the right to take part in the discussions but having no vote. The Board may request the ED/GM to retire from any meeting during a discussion relating directly to the ED/GM’s actions, compensation, or duties. ~~In the temporary absence of the ED/GM, he or she may designate someone to act in his or her behalf. During any vacancy in the office of ED/GM, a Deputy Director will be appointed to serve as Acting ED/GM until the Board considers the matter.~~

2.4 ED/GM Annual Evaluation Process

To support NTMWD's growth and improvement as an organization, the Board shall conduct an annual review of the ED/GM as follows:

Board Members shall individually evaluate the ED/GM through interviews with legal counsel and/or legal counsel's designees/consultants ("legal team"), based on an evaluation form developed by the legal team. In addition, the ED/GM will complete a self-evaluation, and the legal team shall interview the ED/GM's direct reports. On or before April 30 of each year, the legal team shall complete and provide its report, including draft findings and compilation of the gathered information to the Board President, Past President, Vice President, Secretary ("Executive Committee") and the Chair of the Personnel Committee.

During the May Board Meeting, the President and the legal team will share the results of the evaluation with the Board in executive session. The Board delegates to the Executive Committee the task of presenting the final evaluation results to the ED/GM after the May Board Meeting.

All written communications and documents regarding the ED/GM's performance evaluation shall be first directed solely to NTMWD's legal team to gather, review, and analyze such information for the purpose of providing legal counsel and recommendations to the Board on how to proceed with the final performance evaluation in executive session. All documentation shall be created by and remain in the possession of the legal team.

SECTION III. EXECUTIVE COMPENSATION

The Board shall establish the salaries to be received by the ED/GM and each of the Deputy Directors of NTMWD. The Board may, from time to time, authorize additional remuneration to these executives as compensation, reward and/or incentive for work performed on behalf of NTMWD. Additionally, the ED/GM and the Deputy Directors may receive reimbursement for actual expenses reasonably incurred in the course of their duties. Neither the ED/GM nor the Deputy Directors shall accept payment from any source other than NTMWD for work performed in their roles as NTMWD executives, nor may they or any member of their families be employed or paid for work by any individual or organization associated with or benefitting from NTMWD.

SECTION IV. BOARD OF DIRECTORS RULES OF PROCEDURE

4.1 Authority

Under the provisions of the Enabling Act, all powers of NTMWD shall be exercised by the Board of Directors. The following procedures shall be in effect to guide the activities of the Board until amended or unless the procedures are in conflict with state law or any outstanding bond indentures.

4.2 Organization

A. DIRECTORS

The Board shall be appointed by majority vote of the governing body of each of the Member Cities in accordance with the Enabling Act. A Director serves as an officer of NTMWD.

B. OFFICERS

The Board shall elect from its membership a President, Vice President, and Secretary of the Board and such other officers as in the judgment of the Board is necessary. ~~Officers shall~~Officers shall serve one-year terms commencing June 1 of each year. If the Board fails to elect officers prior to June 1 for the coming year, the current officers shall hold over until such election is held. Nominations for officers shall be made jointly by the most recent past three serving Presidents and presented to the Board for consideration prior to the annual election of officers at a Board meeting. Nominations may also be taken from the floor at the Board meeting prior to the vote. Individual officer vacancies in the midst of a term due to resignation, illness or otherwise may be filled by vote of the Board at the next convenient Board meeting

~~C. EXECUTIVE DIRECTOR/GENERAL MANAGER ("ED/GM")~~

~~The Board shall have the power to appoint and remove an ED/GM who shall be the chief administrative officer and general manager of NTMWD.~~

~~D. CONSULTANTS~~

~~The Board shall approve all necessary engineers, attorneys, and other consultants not otherwise provided for in operating budgets, for the efficient and economical operation of NTMWD.~~

4.3 Director Compensation

Each Director shall be entitled to receive a dollar amount per day as authorized and limited by the Enabling Act when required to attend to business of NTMWD, and to reimbursement for actual expenses incurred for any travel, lodging, or meals required.

4.4 Meetings

The Administrative Offices at 501 E. Brown Street, Wylie, Texas, shall be the main building of NTMWD, and all official records of NTMWD shall be preserved in accordance with applicable state law. Where this policy is silent on meeting rules of procedure, the Board may use Robert's Rules of Order as guidance; however, the Board does not formally adopt Robert's Rules of Order.

A. PUBLIC MEETINGS

All regular and special meetings of the Board shall be open to the public, and public notices shall be posted in accordance with applicable state law.

B. REGULAR MEETINGS

The Board shall hold at least one regular meeting each month. All regular meetings shall be held in the Administrative Offices at Wylie, Texas, or at a location within the boundaries of the NTMWD service area; the time and dates to be established by the Board at a regular meeting.

C. SPECIAL AND EMERGENCY MEETINGS

Special meetings of the Board shall be those meetings that are scheduled in addition to monthly regular meetings to address non-emergency District business. All special meetings shall be called by the President, Vice President, Secretary, or ED/GM. Notice of the special meeting, including the date, time, location, and subject, must be presented to each member either by mail, electronic mail, facsimile, or telephone at least 72 hours prior to the special meeting. In addition, the President or ED/GM may call an emergency meeting to address an emergency or a matter of urgent public necessity requiring immediate action by the Board due to an imminent threat to public health and safety or a reasonably unforeseeable situation upon ~~two~~one hours' notice by electronic mail, facsimile, or telephone. Public notice of any special or emergency meeting shall be posted in accordance with applicable state law.

D. COMMITTEE MEETINGS

Committee meetings will be held on the date, time, and location as determined by the Chair~~man~~ of the Committee. On all Committee proposals or recommendations, the Chair~~man~~, or his or her designee, must inform the Board of the vote on the proposal or recommendation. The ED/GM shall be an ex-officio member of all Committees except those Committees relating directly to the ED/GM's actions, compensation, or duties.

E. EXECUTIVE SESSIONS

The Board and Committees may meet in executive session closed to the general public on matters exempted by applicable state law from public meeting requirements, provided that requirements for public notice and documentation of such sessions are followed.

4.5 Duties of the President

A. CHAIRMAN

The President shall preside as ~~Chairman~~ Chair- at all Board meetings. In the absence of the President, the Vice President or Secretary shall preside. In the absence of the President, Vice President or Secretary the Board of Directors shall select a Chair~~man~~ for the meeting.

B. PRESERVATION OF ORDER

Any Board meeting shall be called to order by the Chair~~man~~, and it shall be the responsibility of the Chair~~man~~ to preserve order and decorum and confine the members in debate to the question under discussion.

C. POINTS OF ORDER

The Chair~~man~~ shall determine all points of order, subject to the right of any member to appeal to the Board. The appeal shall be decided by a majority of the members of the Board present.

D. QUESTION

The Chair~~man~~ shall state all questions submitted for ~~a voice~~ vote. A roll call vote shall be taken upon the request of any member.

4.6 General Provisions

A. QUORUM

A majority of the Board's designated seats shall constitute a quorum to do business, and the affirmative vote of the majority present will approve a motion.

B. MINUTES OF MEETINGS

Official written minutes of all Board meetings shall be kept. Copies of the minutes of the preceding meeting shall be furnished to each member, and the minutes shall be approved or corrected by the Board at the next regular or special meeting. These minutes will constitute a formal permanent record of NTMWD.

C. ATTENDANCE

The President shall notify the Mayor of the applicable Member City when a Board member is absent without reason, acceptable to the Board, from three consecutive regular meetings. The ED/GM or his or her delegate will attend all meetings of the Board. Consultants may be requested to attend meetings, when items pertaining to their specialty are involved, at the request of the President, Vice President, Secretary, or ED/GM.

D. TIE VOTE

In the case of a tie vote on any proposal, the proposal shall fail to carry.

E. AGENDA ITEMS REQUESTED BY BOARD MEMBERS

1. At any Board meeting, a Board member may present an item for future consideration by the Board during the posted agenda item as provided in the “Items of Business” section of this policy. The President or ED/GM will refer such item to the Executive Committee for consideration at its next scheduled meeting. The Executive Committee will consider the request and may schedule the item for a future Board Agenda or refer such item to a Standing or Special Purpose Committee for review and consideration prior to consideration at a Board meeting.
2. Board members may also present an item directly to the President or ED/GM, who ~~shall~~will refer such item to the Executive Committee for consideration at its next scheduled meeting. The Executive Committee will consider the request and may schedule the item for consideration on the following Board Agenda or refer such item to a Standing or Special Purpose Committee for review and consideration prior to consideration at a Board meeting.

SECTION V. DISTRICT OBJECTIVE

5.1 Objective

The objective of NTMWD is to provide regional services in the most economical and efficient manner within its legal authority.

5.2 Guidelines

Guidelines for effectively performing the objective of NTMWD are:

- A. The first responsibility of NTMWD is to provide services to the Member Cities in accordance with the contractual agreements therewith, and to fulfill additional service requirements at the request of the Member Cities when these services will in no way be detrimental to any of the other Member Cities and when said services will be beneficial to the overall operation of NTMWD.
- B. NTMWD may provide regional services to other customers within the service area of NTMWD (as such service area is defined by the Enabling Act) when said services are being offered Member Cities and the additional service will be of benefit to NTMWD as well as the customer.
- C. The primary concern of NTMWD is to be of service to the Member Cities by assistance and development of desired services while leaving the responsibility for local governmental service in the hands of the locally-elected officials of each individual community.

SECTION VI. EDUCATION AND DEVELOPMENT EXPENSES

Essential to NTMWD's mission is a Board of Directors that is well-educated and current on the industry and business standards, trends, and developments that effect NTMWD. Attending educational and developmental opportunities ("events") addressing the complex issues facing water districts, including water supply and quality, water, wastewater, and solid waste law, permitting, and enforcement actions, the legislative process, the current practices of other districts, and the general business of running a water district, is the most effective way to ensure that each Director is adequately educated to govern NTMWD and perform his or her crucial duties to the District and its Member Cities. This Policy contains guidelines for authorizing and reimbursing Directors' expenses for attending such events necessary to their education and development.

6.1 Authorized Education and Development Expenses

The needs of NTMWD may change throughout a year, and thus, any guidelines governing education and development opportunities and expenses shall remain flexible and at the discretion of the Executive Committee. At the beginning of each fiscal year, the Executive Committee shall review the water, wastewater, and solid waste industry conventions and major conferences that have been scheduled for the coming year and authorize the appropriate meetings in accordance with the following guidelines:

- A. A list of the authorized educational and/or developmental opportunities, along with a general description of the purpose of such events shall be furnished to each member of the Board as soon as practical after October 1. Generally, each Director shall be eligible to attend two educational events that are most applicable to his or her current committee appointment and/or development as a Director.
- B. Other needs for education and development of Directors shall be reviewed by [the](#) Executive Committee as they arise during the year.
- C. The President and/or ED/GM shall schedule an annual planning workshop for the Board and staff providing sufficient time for planning and program development of NTMWD activities. The ED/GM is encouraged to invite subject matter experts to such workshops for the purpose of enhancing the education of Directors on topics relevant to their duties to NTMWD. [The ED/GM, in consultation with the President, may schedule](#) ~~Additional Board planning workshops may be scheduled as necessary, with approval of the Executive Committee.~~
- D. NTMWD will reimburse expenses only for each individual Director's reimbursable expenses, as outlined in the following paragraph. Expenses for the spouse or significant other will be at the personal expense of the Director.
- E. Reimbursable items shall include expenses for food, lodging, transportation, and general expense (registration, fees, tips, parking, etc.)
 - Lodging – NTMWD will reimburse lodging expenses for the hotel at which the meeting is being held, or other comparable hotel, but will not reimburse personal expenses.

- Meals –
 - At the individual Director's option, meals will be reimbursed, either at their actual cost, with receipts, or at the current federal per diem rate authorized for the location of the event.
 - Alcohol will not be reimbursed.
 - Meals will not be reimbursed if a meal at that time is provided as part of the event cost.
 - NTMWD may sponsor one or more group dinners during conferences to discuss the issues learned from the day's events; Directors will reimburse NTMWD for any expenditure incurred at group dinners for alcohol or guests.
- Transportation – Round-trip mileage is reimbursed at the current IRS rate, or round-trip airfare at coach rates. For out-of-state events, if a Director chooses to drive when round-trip airfare is the more economical option to NTMWD, then mileage will be reimbursed only up to the cost of airfare at coach rates.

Directors sharing travel expenses may split reimbursable expenses as they deem equitable, but NTMWD will pay no more than 100 percent of the actual cost.

- F. Should a disagreement develop over a travel policy matter, the Director shall submit to the President a written statement of the disagreement. The matter shall be referred to the Executive Committee for resolution within 30 days of the written notice to the President. If the Director making the complaint is not satisfied with the Executive Committee's decision, then the matter will be placed as an item for consideration by the entire Board at the next regularly scheduled meeting.

6.2 Reimbursement Procedure

Within 60 days of the conclusion of the event, each Director shall submit an "expense voucher" provided by NTMWD, with supporting detail receipts, to receive reimbursement for travel and expenses, which will be made in accordance with the payment policies of NTMWD.

SECTION VII. BOARD OF DIRECTORS COMMITTEE **POLICY**

All committees of the Board of Directors of NTMWD shall be governed by this Policy. The committees may develop their own procedures, but the Committee Policy shall prevail in case of conflict. All committees shall serve in an advisory capacity to the Board unless special authorization is obtained formally from the Board and is included in a written policy or in the minutes of NTMWD.

7.1 Standing Committees

The following Standing Committees are created as perpetual committees of the Board of Directors:

A. EXECUTIVE COMMITTEE

The Executive Committee shall be composed of the current President, Vice President, Secretary, and immediate past President of the Board. The Executive Committee shall have authority as delegated in NTMWD Policies and as from time to time authorized by the Board on individual matters. The Executive Committee shall be available for consultation with the ED/GM on any matters affecting NTMWD. The current President shall serve as Chair~~man~~, and the Chair~~man~~ will schedule meetings as needed.

B. WATER COMMITTEE

Matters pertaining to water supply, water treatment, and water transmission that require additional consideration prior to submittal to the full Board shall be reviewed by the Water Committee. The Committee shall be composed of seven Directors including the Chair~~man~~. ~~The Water Committee generally meets quarterly or as needed.~~

C. WASTEWATER COMMITTEE

Matters which need additional consideration before submittal to the Board of Directors concerning wastewater treatment facilities, collection facilities, or regional interceptor programs shall be reviewed by the Wastewater Committee. This Committee shall be composed of seven Directors including the Chair~~man~~. ~~The Wastewater Committee generally meets quarterly or as needed.~~

D. SOLID WASTE COMMITTEE

~~_____~~ Matters which need additional consideration concerning solid waste transfer or disposal prior to submittal to the Board shall be reviewed by the Solid Waste Committee. This Committee shall be composed of seven Directors including the Chair~~man~~, with at least four of the Solid Waste Member Cities (Allen, Frisco, McKinney, Plano and Richardson) represented.

~~E.~~ ~~The Solid Waste Committee generally meets every six months or as needed.~~

~~G.~~ FINANCE COMMITTEE

The Finance Committee shall review financial, insurance and risk management matters that need additional consideration prior to submission to the Board, and shall coordinate and review the annual budget and the annual audit as submitted by the appointed outside auditors. The Committee shall be composed of seven Directors including the Chair~~man~~. The Finance Committee shall meet in June and July to review the upcoming annual operating budget, and in January to review the annual audit. ~~In addition, the Committee should generally meet every six months or as needed.~~

~~H.F.~~ PERSONNEL COMMITTEE

This Committee shall review personnel matters and appeals from District personnel on grievances in accordance with NTMWD's Personnel Policies Manual, as amended. The Committee shall be composed of seven Directors including the Chair~~man~~. ~~The Personnel Committee generally meets annually or as needed.~~

~~F.G.G.~~ REAL ESTATE COMMITTEE

The Real Estate Committee shall review NTMWD real estate matters and make recommendations to the Board as needed. The Committee shall be composed of seven Directors including the Chair~~man~~. ~~The Real Estate Committee generally meets every six months or as needed.~~

~~H.G.H.~~ POLICY COMMITTEE

Matters pertaining to general policy of NTMWD or matters that affect all of the Committees will be referred to the Policy Committee. The Policy Committee will be composed of the Vice President, Secretary, immediate past President of the Board and the Chair of each of the Standing Committees with the President serving as Chair. ~~The Policy Committee will be composed of the Chairman of each of the Standing Committees with the President serving as Chairman. The Policy Committee will meet annually to review NTMWD Policies and as needed.~~

~~I.H.L.~~ LEGISLATIVE COMMITTEE

Matters pertaining to state and federal legislative issues of NTMWD will be referred to the Legislative Committee. The Legislative Committee will be composed of seven Directors including the Chair~~man~~. ~~The Legislative Committee generally meets every six months or as needed.~~

7.2 Special Purpose Committees

Special purpose committees may from time to time be appointed by the President. If a special purpose committee is authorized by the Board, its existence may extend beyond the term of the current President to a specific time or termination of the project or program involved. However, a committee appointed by the President without the confirmation and approval of the Board will exist only for the term of the current President. Each Special Purpose Committee shall be given a specific name related to its purpose.

7.3 Appointment

Appointments of Directors to Standing Committees shall be the primary responsibility of the President; however, all appointments must be reported to the Board of Directors at the next regular meeting and included in the formal minutes of that meeting. Committee members must be members of NTMWD Board.

A. NEW COMMITTEES

The President may propose new Standing Committees which would be created with a majority vote of the Board at the next regular meeting confirming the need for the Standing Committee.

B. COMMITTEE VACANCIES

Should a vacancy occur on any committee, it shall be the responsibility of the President to promptly designate a replacement.

C. NEW PRESIDENT

When a new President takes office on June 1, it shall be the President's duty to appoint or reappoint the members of the Standing Committees so that composition of the committees is compatible with the plans and goals of NTMWD. In making such appointments, the President should take into consideration the continuity of the committee and the expertise of the member, but should consider rotating members after three years of service to achieve each member's exposure to other committees. All changes and recommendations should be forwarded to the Board at the regular Board meeting in June.

7.4 General Rules

A. NOTICE OF MEETING

All meetings of committees shall be called by the Chair~~man~~ of the committee. Notice of the committee meeting, including the date, time, location, and subject, must be presented to each member by mail, electronic mail, facsimile or telephone at least 72 hours prior to the committee

meeting. An emergency condition can be declared and a committee meeting held on shorter notice, provided a quorum is present in accordance with the [Texas](#) Open Meetings Act. NTMWD shall post public notice of its committee meetings in a form and manner similar to postings for its Board meetings in accordance with the [Texas](#) Open Meetings Act, and such meetings shall be open to the public.

~~E.~~B. QUORUM

A simple majority of the Committee's designated seats shall be considered a quorum at any meeting that has met proper notice requirements. The President, Vice President and ED/GM shall be ex-officio nonvoting members of all Standing Committees (except the Executive Committee) and shall receive notice of meetings. A simple majority vote of the members present shall rule on all votes.

~~F.~~C. CHAIRMAN

The President shall name the Chair~~man~~ of the committee. The Chair~~man~~ may select a Vice-Chair~~man~~; however, in the event that no Vice-Chair~~man~~ has been selected and an absence of the Chair~~man~~ occurs, the majority present at a meeting with a quorum selects an Acting Chair~~man~~.

~~G.~~D. MINUTES OF MEETINGS

The ED/GM or designee shall be responsible for preparing minutes of each committee meeting which will be submitted to the committee members for approval. The draft minutes shall be prepared and sent to committee members prior to the next committee meeting. Copies of the minutes shall be forwarded to all the Directors after approval.

~~H.~~E. COMMITTEE ASSISTANCE

The ED/GM shall designate staff personnel to assist the committee in its work as needed. The committee shall have the full cooperation of NTMWD staff, right to all information available, use of consultants within budgetary restraints, and any other facilities or materials available to NTMWD.

~~I.~~F. ROBERT'S RULES OF ORDER

Where NTMWD policy is silent on meeting procedure, the committee may use Robert's Rules of Order as guidance; however, the Board does not formally adopt Robert's Rules of Order.

7.5 Procedures

The purpose of the committee system is to provide adequate time and information for a smaller group of Directors to be knowledgeable and informed on appropriate matters with a full intent to have committee recommendations forwarded to the Board prior to Board action. The following procedures are provided as guidelines:

A. REFERRAL ITEMS

It is not the intent to restrict the actions of the ED/GM on routine items by requiring committee review, but the following shall establish a procedure for referrals to committees.

1. The President, Vice President, Secretary, ~~or~~ ED/GM, or committee members may refer items to the appropriate committee. In addition, a Board member may present matters for consideration to the Board or the President or ED/GM for referral to the appropriate committee in accordance with Board procedure.
2. All new programs or projects must be submitted to the appropriate committee unless previously approved by the Board at a special or regular meeting.
3. All contracts or agreements with new customers in any system for NTMWD service or any new request for service outside the service area as defined in Enabling Act must be referred to the appropriate committee. This does not include vendor contracts or agreements for services provided to NTMWD by others for routine operations.

B. BOARD RECOMMENDATIONS

Items referred to committees for recommendation to the Board:

1. Shall require the Committee Chair~~man~~ to call a meeting as soon as possible. If a quorum cannot be obtained, the item will be placed on the next regular meeting of the Board of Directors for consideration; and,
2. Shall be made at the next Regular Board Meeting unless a majority of the committee requests additional information or establishes reasons in writing for delay.

SECTION VIII. STANDARDS OF CONDUCT

~~SECTION VIII. STANDARDS OF CONDUCT~~

8.1 Purpose

These Standards of Conduct reaffirm and clarify the policy and expectations of NTMWD concerning the standards of behavior and ethical conduct of the members of its Board of Directors and the ED/GM while conducting NTMWD business. The maintenance of the highest standards of honesty, integrity, impartiality and conduct is essential to the proper performance of NTMWD business responsibilities and to the maintenance of confidence in the NTMWD by the citizens and officials of NTMWD Member Cities and Customers. For purposes of this Policy, “officers” means NTMWD’s ED/GM, Deputy Directors, and members of its Board of Directors.

8.2 General

- A. NTMWD’s reputation for integrity is an invaluable asset to be nurtured by each officer; it is each officer’s responsibility to demonstrate the highest standards of integrity and personal conduct.
- B. It is the personal responsibility for each officer to diligently, and thoroughly observe, the policies and procedures of ethical business conduct set forth in District Policy.
- C. Employees of NTMWD are subject to the highest ethical standards, as outlined in NTMWD’s Personnel Policies Manual (Ethics, Gifts, and Conflicts of Interest). Such standards are similar to those contained in this Policy. It is each officer’s responsibility to ensure that no NTMWD business is conducted outside of the highest standards of honesty, integrity, impartiality and conduct. If any officer becomes aware of an NTMWD employee violating these standards of ethical conduct, the officer has a responsibility to immediately report such concerns to the ED/GM.

8.3 Relationships with Contractors, Suppliers, and Consultants

It is the policy of the Board that all activities of NTMWD, its officers and employees will continue to be conducted in accordance with the laws of the United States, the State of Texas, appropriate counties or municipalities, and the Policies and Directives of NTMWD.

- A. Bribes, kickbacks, or other illegal payments are specifically prohibited, and any officer proven to have participated in such activities will be reviewed for legal action by NTMWD.
- B. While good relations with NTMWD contractors and suppliers or consultants (“business entities”) are important to the timely and cost-effective execution of NTMWD responsibilities, NTMWD will neither authorize nor condone illegal or unethical activities by these business entities. NTMWD officers with direct or indirect knowledge of such activities shall immediately report to the Board or the ED/GM any activities which indicate that these business entities are acting illegally or beyond the authorization of the NTMWD.
- C. No officer or a member of the officer’s family shall solicit or accept any gift, favor, or service that might reasonably tend to influence the officer in the discharge of official duties or that the officer knows or should know is being offered with the intent to influence official conduct. A “gift” does not include a reasonable meal accepted as a guest, or a promotional item of nominal value of the sort typically given at vendor booths at conferences. Officers are specifically prohibited from accepting from current or potential business entities:
 - 1. Vacations, pleasure trips, or hunting trips;
 - 2. Discounts not available to the general public;
 - 3. Products or services not available to the general public under similar circumstances;
 - 4. Loans or advances;
 - 5. Entertainment at a discount unavailable to the general public;
 - 6. Other unusual favors not available to the general public at the same cost.

Any officer receiving such offers shall immediately report such offers to the ED/GM, or to the Board of Directors.

- D. The first responsibility of an NTMWD officer is to the NTMWD and its members and customers. The officer shall avoid situations where other interests conflict or appear to conflict with the officer’s ability to perform reasonably and with independent judgment removed from any influence by a business entity. If any officer has a substantial interest in a business entity being considered for contract with the NTMWD, that officer must notify the ED/GM or the Board of Directors in writing or in a public meeting called and held in compliance with the ~~Open Meetings Law~~ [Texas Open Meetings Act](#) before consideration of the contract. The officer shall remove himself or herself from the project or contract consideration.

An individual has a “substantial interest” if the individual or his or her parent, child, stepchild, spouse or spouse’s parent:

- 1. Has controlling interest in the business entity;

2. Has ownership in excess of ten percent of the voting interest in the business entity or in excess of ~~\$25~~15,000 of the fair market value of the business entity;
 3. Has any participating interest, either direct or indirect, by shares, stock, or otherwise, whether or not voting rights are included, in the profits, proceeds, or capital gains of the business entity in excess of ten percent;
 4. Holds the position of a member of the Board of Directors or other governing board of the business entity;
 5. Serves as an elected officer of the business entity;
 6. Is an employee of the business entity;
 7. Owns \$2500 or greater of the fair market value of real property;
- E. NTMWD officers shall not transact any business on behalf of the NTMWD with any business entity with which they have a substantial interest, and shall refrain from discussing the matter at any time with the members of the body of which the officer is a member or any other body which will consider the matter, and will abstain from voting on the matter.
- F. Selection of consultants shall be made based on the merits contained in written proposals or letters of proposal and on consideration of the firms' expertise, references, performance history, financial strength, or other such criteria uniformly applied by the NTMWD as the specific project may require.

8.4 Ethical Responsibilities of Officers

- A. All officers of NTMWD shall conduct themselves in a manner that maintains the highest standards of integrity and personal conduct, avoiding even the appearance of any conflict of interest.
- B. In addition to the above, all officers shall conduct themselves in such a manner as to avoid the appearance of:
1. Using public office for private gain;
 2. Giving preferential treatment to any person or entity;
 3. Impeding NTMWD efficiency or economy;
 4. Losing complete independence or impartiality;
 5. Making an NTMWD decision outside official channels;
 6. Using any information understood to be confidential gained by his or her official position with NTMWD for the officer's own personal gain or for the private interest of others.
- C. The Board of Directors shall evaluate any violation coming to its attention, and shall take appropriate corrective action including sanctions and pursuit of any available legal remedies.

- D. Any substantiated violations of this Ethics Policy shall be documented by the ED/GM and/or the Board of Directors, and kept by NTMWD's Records Management Officer. The documentation shall include documentation of any action taken.

8.5 Use of NTMWD Property

NTMWD property, equipment or vehicles, including property leased to the NTMWD, may not be used for other than officially approved activities. No NTMWD property, equipment or vehicles may be used for personal business or personal gain. Officers of NTMWD may use NTMWD property that is designated by NTMWD as open to the public for NTMWD-authorized public uses, including educational and/or recreational purposes, in the same manner that is allowed for members of the general public. Officers of NTMWD may not grant access to or use NTMWD property that is deemed open to the public for private purposes, or for any other unofficial or unauthorized use. For example, NTMWD officers can visit the Bois d'Arc Lake, but may not grant special access to third parties or otherwise act outside the rules prescribed for the general public.

8.6 Improper Use of NTMWD Funds and Assets

- A. The funds and assets of NTMWD shall not directly or indirectly be used for illegal or improper payments of any kind.
- B. The funds and assets of NTMWD shall not be used directly or indirectly for payments, gifts, or gratuities of any kind which indirectly or directly inure improperly to the personal benefit of any agent or employee of any entity with which the NTMWD does business.
- C. The funds and assets of NTMWD shall not be used directly for political contributions. "Political contributions" include, but are not limited to, local, state, or national fund-raising dinners, banquets, raffles, or any funds or gifts (including the free use or discounted use of property or services) that could be routed directly to a political candidate, party, committee, or organization. This section is not intended to limit or otherwise restrict lawful personal political activity of persons subject to this standard.
- D. No officer shall knowingly cause the NTMWD to enter into any agreement with dealers, vendors, distributors, agents, or consultants: (1) which are knowingly not in compliance with the statutes of the State of Texas and applicable local laws that may be involved, or (2) which provide a commission rate or fee that is not reasonable and commensurate with the function or services to be rendered, or (3) with which the officer has a business relationship beyond the NTMWD.
- E. The funds and assets of the NTMWD shall be properly and accurately recorded in accordance with generally accepted accounting practices. No officer shall willfully make or cause to make false or inaccurate entries in the books and records or accounts of the NTMWD. No officer shall, on behalf of the NTMWD, make or approve payments with the intention or understanding that any part of the payments may be used for any purpose other than described in documents supporting the payment.

8.7 Easement or Property Purchases Involving NTMWD Officers

- A. Any NTMWD officer who has, or whose parent, child, stepchild, spouse or spouse's parent has, an ownership interest in property which is within proposed boundaries of an NTMWD project being considered for approval by the Board, shall identify such property in writing to the President of the Board and to the ED/GM prior to project consideration by the Board. Such written notification shall be maintained as part of the permanent records in the project file.
- B. Any purchase or easement purchase of property within an approved NTMWD project belonging to an officer of the NTMWD may proceed only if:
 - 1. Records of such sale are fully documented in the project file and are accompanied by documentation of the price including an appraisal of the fair market value of the property by at least two independent professional appraisers; and,
 - 2. The cost of the property easement or purchase shall be approved by a majority of the Board of Directors at a regular meeting after submission of such records.
 - 3. The officer has removed him or herself from consideration of or involvement in such transaction.

SECTION IX. BOARD OF DIRECTORS MEETING AGENDA AND ACTION ITEMS

9.1 Purpose

This policy establishes guidelines for the inclusion ~~of items on the consent agenda and as action items on the Board of Directors regular agenda~~ of action items on the Board of Directors regular agenda, including items listed for individual consideration and items listed on the Consent Agenda approved by a single vote.

9.2 Annual Operating Budget Items

Items for expenditures and award of contracts for goods and services funded in NTMWD's annual operating budget do not require separate Board approval and are not required to be placed on the agenda unless a specific legal or policy requirement for Board action applies (See Section 9.6). ~~For expenditure items and award of contracts for projects, which are not funded in NTMWD's annual operating budget, the dollar thresholds in 9.3 apply.~~

9.3 Agendas

The order of business of each Board meeting shall be contained in a written agenda prepared by the ED/GM and/or the President and posted in accordance with applicable state law. Written agendas for regular Board meetings shall be delivered to each member at least 72 hours prior to the date of said meeting. Written agendas for special or emergency Board meetings shall be delivered to each member as soon as reasonably possible prior to the commencement of the meeting. Additionally, each Board agenda shall include an item that will allow a Board member to request that an item be placed on a future agenda for consideration by the Board; no substantive discussion of that item will take place at that time. The Board may not deliberate or vote on any item not included on its written agenda and public notice.

9.4 ~~Changes to Construction Contracts and Agreements~~ Items for ED/GM Approval, Consent Agenda or Individual Board Consideration and Action

- A. ~~Consideration of changes to contract~~ Expenditures and contracts not funded in NTMWD's annual operating budget* shall be approved ~~processed in accordance with the components shall be according to the~~ following table:

ED/GM Limits
Expenditures or cumulative changes below \$100,000 or changes that do not exceed 15 percent of the original contract or Board authorization may be approved by the ED/GM and will be included in the ~~Monthly~~

Consent Agenda
Expenditures of \$100,000 - \$500,000 or changes that exceed 15 percent of the original contract or Board Authorization and shall be included in the ~~Monthly Construction~~

Items for Individual Consideration
Expenditures or aAll cumulative changes above \$500,000 or above 25 percent over original contract or Board authorization, and resolutions to

~~Engineering Activity Report. The report shall be included in each Board Packet~~ Capital Project Activity Report.

~~Report~~ Modification of Capital Projects Request and included for approval by the Board on the Consent Agenda.**

~~allow the use of eminent domain shall be listed as individual action items on a Board agenda.~~

* ~~To~~ Examples of such items include:

- Construction contract change orders
- Construction Manager At-Risk Preconstruction and Procurement Services
- Engineering Services Agreements
- Right-of-way acquisitions
- Inspection Services Agreements
- Legal Services
- Reassignment of funding within the same System

** To eliminate creation of additional Administrative Memorandums, at the discretion of the Executive Director, minor amounts above the thresholds can be included within the Modification of Capital Projects Request report when the projects are near completion.

B. Notwithstanding the above requirements, the ED/GM shall provide a report to the Board regarding all matters involving litigation not less than every 6 months.

9.45 Consent Agenda Items

As noted in the table in Section 9.4 above, Consent Agenda Items shall include expenditures and cumulative change orders for construction contracts between \$100,000 and \$500,000. These items shall be included in the ~~Monthly Construction Report~~ Modification of Capital Projects Request.

Board Members and the ED/GM may use their discretion to move items from the Consent Agenda to Items for Individual Consideration.

~~A. Miscellaneous~~ The following Additional examples of items that also may be placed on the Consent Agenda:

1. Interlocal Agreements between NTMWD and another governmental entity involving amounts less than \$500,000. ~~and with a term of less than one year.~~
2. Contracts for professional or contractual services, legal services, or the construction of improvements to real property in amounts less than \$500,000.
3. Sale of surplus personal property provided the value of a single item is less than \$500,000.
- ~~4.~~ 4. Miscellaneous items not involving an expenditure of funds or that are ministerial in ministerial in nature.

5. Contract extensions of 5 years or less with Customers in any System that include no material changes other than the Term.

6. Alternative procurement authorizations.

9.6 Other Legal Items

In certain instances, applicable statutes or regulations may require items be acted on by the Board of Directors even if the expenditure falls within the discretion of the ED/GM. These items include but are not limited to:

1. Resolutions authorizing the use of eminent domain
2. Resolutions authorizing issuance of bonds and other debt instruments
3. ~~Approval~~ Acceptance of the annual audit
4. Approval of the annual All Systems Budget including rates and charges for system services
5. Interlocal agreements
6. Annual review of Investment Policy
7. Bank depository contract

SECTION X. INDEMNIFICATION POLICY

It is the policy of NTMWD to protect and indemnify its Directors, Officers, and Employees (“Covered Individuals”) from claims and lawsuits for damages or other relief sought against them for acts or omissions arising out of the performance of their duties for NTMWD to the full extent allowed by law. For NTMWD to fulfill its public purpose and to attract and maintain quality individuals in all required positions it is necessary that Covered Individuals serving NTMWD not incur the expense and liability for acts or omissions arising out of the discharge of their duties in the course and scope of NTMWD's business.

10.1 Insurance

NTMWD may purchase insurance or may self-insure, to protect itself and its Covered Individuals from the cost and expense of defending against claims and litigation brought against NTMWD or its Covered Individuals individually for acts or omissions occurring during, or arising out of, the course and scope of their duties for NTMWD and undertaken in the good faith discharge of their duties for NTMWD.

10.2 Indemnification and Defense of Directors, Officers, and Employees

To the extent that the cost and expense of defending against claims asserted, or lawsuits brought, against the Covered Individuals of NTMWD are not covered by the applicable policies of insurance provided by NTMWD under this Policy, and to the extent permitted by applicable law, NTMWD may defend, hold harmless, and indemnify Covered Individuals from any and all demands, claims, suits, actions, judgments, expenses and reasonable attorneys' fees incurred in any legal proceedings brought against them in their individual or official capacities as a Covered Individual, provided that the allegations which form the basis of such demand, claim, or action arose from an act or omission of the Covered Individual, acting within the course and scope of their duties with NTMWD. NTMWD will not indemnify any demand, claim, suit, action, judgment, expense or reimbursement for attorneys' fees for any claim or cause of action where it is determined that the Covered Individual 1) committed official misconduct, 2) committed a willful or wrongful act or omission constituting gross negligence, or 3) acted in bad faith, with conscious indifference or reckless disregard to the rights of others. Further, NTMWD will not indemnify the Covered Individual if the claim or cause of action arose out of the Covered Individual's self-dealing or involves a defense of his/her private interests, or for a criminal act absent a finding of not guilty or dismissal of the criminal case (except when the dismissal does not indicate innocence, such as dismissal after a guilty plea, nolo contendere or deferred adjudication).

10.3 Procedures for Providing Indemnification

In the event a claim or demand for monetary or other relief is made or a civil lawsuit instituted against a Covered Individual arising out of an act or omission occurring in the course and scope a Covered Individual's employment for, and in discharge of the individuals duties for NTMWD, the ED/GM or Board Executive Committee may present a Request for Indemnification to the Board on behalf of a Covered Individual.

In the event a criminal complaint, indictment or information is filed against a Covered Individual arising out of an alleged act or omission related to the discharge of a Covered Individual's duties for NTMWD, upon a finding of not guilty after a trial or appeal or the complaint, information, or indictment is dismissed without a plea of guilty or nolo contendere being entered, the ED/GM or Executive Committee of the Board may submit a Request for Indemnification to the Board on behalf of the Covered Individual.

Upon presentation of a Request For Indemnification to the Board, the disinterested members of the Board shall determine: (1) if the act or omission giving rise to the claim, demand, or legal proceeding occurred within the course and scope of employment of NTMWD, and (2) whether the defense of the claims, demands, or legal proceedings is in furtherance of the public interest of NTMWD. Upon a majority of disinterested Board members making such findings, NTMWD shall indemnify the Covered Individuals for reasonable attorneys' fees, costs and expenses associated with the defending of those claims, demand, and legal proceedings, as set forth in this District policy. The determination of the Board shall be final and conclusive absent fraud, or arbitrary and capricious action in making this determination.

The selection of the Covered Individual's legal counsel shall be with the mutual agreement of the Covered Individual and NTMWD if such legal counsel is not also NTMWD's legal counsel. However, if a legal defense is provided through insurance coverage, the Covered Individual's right to select legal counsel shall depend on the terms of the applicable insurance contract. To the extent this policy of indemnification exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified to the extent necessary to not exceed such authority and limitations.

10.4 No Waiver of Immunity

This policy is solely for the protection of the Covered Individuals of NTMWD and does not grant or confer any rights on any third party, nor does it provide any rights or causes of action not expressly provided for under the laws of the State of Texas and the United States, including the Texas Tort Claim Act. Further, nothing in this policy shall be construed to be a waiver of sovereign immunity or governmental indemnity by NTMWD or its Covered Individuals.

SECTION XI. BOARD MEMBER RETIREMENT **RECOGNITION PROGRAM**

Retiring Board members shall be recognized during a regularly scheduled Board meeting [or special ceremony](#) as follows:

- A Board member who retires with less than 10 years of service shall be presented with an official resolution adopted by the Board of Directors.
- A Board member who retires with 10 years or more, but less than 20 years of service shall also receive a NTMWD plaque of appreciation.
- A Board member who retires with 20 or more years of service shall also receive an engraved NTMWD logo watch, engraved glass “Water Drop,” or other similar memento.

SECTION XII. BOARD/STAFF COMMUNICATION POLICY

Interaction between Board members and NTMWD staff is encouraged in order to promote productive communications and cooperation. The following are guidelines to clarify Board/Staff contact.

- A. Board members should direct requests for information and contact only to senior NTMWD leaders and executive level staff: ED/GM, Deputy Directors, [Board Liaison](#), [General Counsel](#), ~~Assistant Deputy Directors~~ and [Board Administrative Support Specialist](#), ~~Officers, Process Improvement Advisor, or the Executive Assistant to the Executive Director/General Manager.~~
- B. The ED/GM shall be informed (by email or verbally) of requests for information and meetings between a Board member and staff. The ED/GM should be copied on email requests and notified promptly of verbal requests.
- C. For meetings between staff and Board members that do not require the presence of the ED/GM, staff shall notify the ED/GM of such meetings in advance so that the ED/GM may make a decision whether to attend.
- D. Board members may request from senior staff previously presented existing documents and reports, but should not direct staff work by asking for reports that are not already prepared or otherwise ask staff to perform tasks. Board members should direct requests for new reports and tasks only to the ED/GM.
- E. If a Board member receives an employee complaint or personnel grievance, the Board member should advise the employee to go through the complaint and grievance procedures specified in the Personnel Policy Manual, which also provides information about protecting employees from retaliation protection. The Board member should also promptly inform the ED/GM of any such communications received from employees.

SECTION XIII. ADDITION OF MEMBER CITIES TO REGIONAL WASTEWATER SYSTEMS

13.1 Purpose

The District operates two regional wastewater systems (Regional Wastewater Treatment System and Upper East Fork Regional Interceptor System, collectively the “Regional Wastewater Systems”). The underlying contracts governing the Regional Wastewater Systems allow for the addition of new member cities to the Regional Wastewater Systems. The purpose of this policy is to outline the process for and the factors to be considered by the District for the addition of new member cities to the Regional Wastewater Systems. This policy is applicable to the Regional Wastewater Systems only and does not serve as the basis for consideration for service by or membership in any other District facility, system, or service.

13.2 Requests for Membership Consideration

A. MINIMUM CRITERIA

In order to be eligible for membership in the Regional Wastewater Systems, a city must meet the following minimum criteria:

1. The city has been a current customer of the Regional Wastewater Treatment System for at least five years with a longstanding cooperative relationship with the District that has been mutually beneficial to both entities;
2. Wholesale wastewater service will be provided to the entire city limits and future city limits by the Regional Wastewater Systems, or by wastewater treatment plants operated by the District;
3. The District operates any city-owned wastewater treatment plants that exist;
4. The city has supported the District’s regionalization initiatives through sharing of resources such as dedication for rights of way, work with other key stakeholders or other similar matters.

B. REQUEST FORMAT AND REQUIREMENTS

To be considered for membership in the Regional Wastewater Systems, cities should file a written request with the District that includes the following items. District staff shall evaluate all requests for completeness and may return any incomplete requests to the requesting city, in which case the request will not move forward for consideration:

1. Narrative explanation of how it meets the minimum criteria set out in Section 13.2;
2. Engineering report prepared by a Registered Professional Engineer or engineer approved by the District containing:
 - a. Description of the area to be served
 - b. Description of existing facilities

- c. Yearly projected wastewater flows for the city for the next five years
 - d. Projected flows in five-year increments thereafter for an additional 15 years
 - e. Description of proposed usage of the sewer service such as a residential, commercial, etc.
 - f. Identification of, sizing and estimated cost of any additional facilities needed for provision of wholesale service by the District to the city for the time period under review.
3. Copy of the latest annual audit of the city's waterworks and/or sewer system, if any.

13.3 Consideration by Board of Directors and Evaluation Factors

- A. **CONSIDERATION BY BOARD OF DIRECTORS.** District staff shall present the written request for membership to the District Board of Directors at a scheduled District Board Meeting at which time, if the Board decides to proceed with consideration of the request, it shall set a date and time for possible action at a future Board meeting. The District shall provide written notice to current Regional Wastewater System members of the date and time of the District Board meeting at which the Board may take action on the request.
- B. **EVALUATION FACTORS.** In addition to the minimum criteria set out in Section 13.2.A, above, the factors to be considered by the Board of Directors in determining whether to grant the request may include:
 - 1. Financial impacts to other Regional Wastewater System members;
 - 2. Impacts to Regional Wastewater System credit or bond rating;
 - 3. Financial or engineering impacts to the Regional Wastewater System, in general;
 - 4. Whether the city has a plan of promoting resident use of city collection system in future to reduce reliance on septic systems;
 - 5. Whether the city has a current population of approximately 10,000 and
 - 6. Whether the city's wastewater contributes to the District's reuse and reclaimed water programs.

The Board may approve the request if, after considering all relevant factors, including those specified herein, it determines that the addition of the new member would be of benefit to the Regional Wastewater System, other members, and the District. Nothing in this policy shall be interpreted to guarantee approval of a membership request, and the Board of Directors retains the discretion to apply this policy in a manner serving the best interests of the District.

SECTION XIV. NEW CUSTOMER REQUESTS FOR WATER SERVICE

14.1 Purpose

The purpose of this policy is to outline the process and the factors to be considered by the District when a prospective customer wishes to request water service from the District Water System. This policy does not apply to requests of existing customers that are already supplied by the District either directly or indirectly.

14.2 Requests for Water Service

- A. Only a municipality, municipal utility district, water supply corporation, fresh water supply district, special utility district, water control and improvement district, or other legislatively-created special district having the water and sewer power of a conservation and reclamation district is eligible for new water service from the District Water System.
- B. Any new request for water service must be in writing and directed to the Executive Director of the District. District staff shall evaluate all requests for completeness and may return any incomplete requests to the requesting entity, in which case the request will not move forward for consideration.
- C. The written request must be accompanied by an engineering report, prepared by a Registered Professional Engineer in the State of Texas, that includes the following items:
 - 1. Information on the proposed point of delivery meeting current District standards for water service;
 - 2. Projected annual usage for the first six years;
 - 3. Projected future annual usage thereafter in five-year increments, and total future requirements;
 - 4. Population projections for the area to be served;
 - 5. The reason for the request; and
 - 6. The Texas Commission on Environmental Quality (TCEQ), or its predecessor or successor agency, certification (if applicable) and all relevant information submitted to the TCEQ or predecessor or successor agency, in support of certification requests.

14.3 Consideration by Board of Directors and Evaluation Factors

- A. CONSIDERATION BY BOARD OF DIRECTORS. District staff shall present the written request for new water service to the District Board of Directors at a scheduled District Board Meeting at which time, if the Board decides to proceed with consideration of the request, it shall set a date and time for possible action at a future Board meeting.

~~C.~~ B. EVALUATION FACTORS. In evaluating a request for service, the Board of Directors shall consider at least the following factors:

1. Existing contractual commitment to all current District members and customers;
2. TCEQ, or its predecessor or successor agencies, certification and all relevant information submitted to the TCEQ or predecessor or successor agencies, in support of certification requests, if applicable;
3. Engineering report submitted by the requestor explaining how sanitary sewer service will be provided to the requested area and how the water quality for the watershed(s) within the area will be protected;
4. Geographic description of the land area to be served;
5. Forecasted impact to the District's raw water sources, treatment plant capacity, and transmission and pumping system capacity;
6. Whether the District's approved Water System Development Plan can meet additional water supply volumes and the additional water supplies being requested;
7. Other potential sources available to provide service to the customer;
8. Impact to all current District members or customers if the requesting entity is within the city limits, extraterritorial jurisdiction, or service area of such Member Cities or customers;
9. Requestor's water conservation and drought contingency plans, and whether it includes all of the elements of the District's plan at the time of request, and will likely remain in compliance with the District's plans throughout the term of the contract;
10. The requested location of the point of delivery.

14.4 Authorization

In order to provide new water service, a customer service agreement must be developed in accordance with District Standards and must be approved by the Board of Directors. Nothing in this policy shall be interpreted to guarantee approval of a membership request, and the Board of Directors retains the discretion to apply this policy in a manner serving the best interests of the District.

ADOPTION BY BOARD OF DIRECTORS

The Board Policies in this Manual have been passed and approved, as amended, by the Board of Directors of the North Texas Municipal Water District, in a Regular Meeting of the Board, on this ____ day of _____, 20220, and attested to by the signature of the President and Secretary, as indicated below.

GEORGE CRUMP, Secretary

JACK MAY, President

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5858

AMENDMENT TO THE PERSONNEL POLICIES MANUAL

ACTION (*What*)

Authorize amendments to the Personnel Policies Manual with the following Sections:

- I. Employment Practices
 - II. Employee Conduct and Safety
 - III. Complaint Resolution
 - IV. Compensation and Reimbursement
 - V. Time-Off Benefits
 - VI. Health and Related Benefits
-

PURPOSE (*Why*)

Updates to the Personnel Policies Manual are needed to revise language related to equal employment opportunities, employment of relatives, sexual harassment, military leave and the use of accrued paid time off during such leave, restructuring accrued time off to reallocate 3 days of sick leave and 2 personal days to paid vacation time, introduce the vacation sellback program, define workday, allow for holiday pay to be included in overtime premium pay calculation, define employees' use of Bois d'Arc Lake, and add Team of the Year and Milestone Service Awards Program.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors amend the NTMWD Personnel Policies Manual as presented.

Strategic Objective: 2.1: Efficient Business Practices, and 4.1: Highly Skilled Workforce

This was an item on the August 10, 2022 Personnel Committee and September 7, 2022 Policy Committee meeting agendas.

DRIVER(S) FOR THIS PROJECT

- | | |
|--|--|
| <input type="checkbox"/> Regulatory Compliance | <input type="checkbox"/> Asset Condition |
| <input type="checkbox"/> Capacity | <input type="checkbox"/> Redundancy/Resiliency |
| <input type="checkbox"/> Relocation or External Requests | <input type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety | <input checked="" type="checkbox"/> Administrative |
| <input checked="" type="checkbox"/> Policy | <input type="checkbox"/> Other _____ |

BACKGROUND

- In April 2015, the Personnel Policies Manual combined many existing personnel related policies adopted by the Board of Directors.
- The Personnel Policies Manual has been updated four previous times. The September 2021 amendments revised the language related to equal employment opportunities and drug policies, improve the process for complaint resolution, and to define de minimis benefits.
- In January 2022, Paradox Consulting began a thorough compensation study and based on the results, Human Resources recommended several policy changes that improve the District's overall compensation package by adjusting time off allocations, adding a vacation sell-back program; and counting holiday time as time worked for overtime calculation purposes.
- Additional changes to language for equal employment opportunities, employment of relatives, sexual harassment, military leave and the use of accrued paid time off during such leave, employees' use of Bois d'Arc Lake, and Team of the Year and Milestone Service Awards Program
- On September 7, 2022, the Policy Committee reviewed this item and recommended adoption of amendments to the Board of Directors.
- Attached is a copy of the redlined version of the proposed changes to the Personnel Policies Manual.

North Texas Municipal Water District

Personnel Policies Manual

Adopted April 2015

Amended September 2018

Amended May 2020

Amended February 2021

Amended September 2021

Amended September ~~2021~~ 2022

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NORTH TEXAS MUNICIPAL WATER DISTRICT

PERSONNEL POLICIES MANUAL

SECTION I. EMPLOYMENT PRACTICES

1.1 Administrative Authority

The Personnel Policy Manual of the North Texas Municipal Water District ("NTMWD") has been created by the Board of Directors (the "Board") to provide guidelines for the personnel administration of the NTMWD. The Policies in this Manual can be amended only by the Board. The Executive Director / General Manager ("ED/GM") or designated representative shall be responsible for the implementation and operation of the Policy. The ED/GM or designated representative may issue personnel directives interpreting the Policy from time to time. ~~and shall issue an employment handbook to NTMWD employees summarizing the employment policies of the NTMWD.~~ The Policies in this Manual apply to all employees, regardless of classification or full-time/part-time status.

1.2 Employment at Will

All employment at NTMWD shall be "at will" and no contractual rights or property rights in employment shall be created by this Policy, the ED/GM, or any person, without specific action of the Board in writing. The Board reserves the right to change its policies and benefits from time to time, and it shall be the final interpreter of its policies.

"Employment at will" means that employees of NTMWD are not employed under a contract, and are free to leave their employment at any time, for any reason or no reason, without contractual obligation. Likewise, the NTMWD is free to terminate employment at any time, for any reason or no reason, without contractual obligation.

1.3 Equal Employment Opportunity and Disability Accommodation

NTMWD is firmly committed to a policy of equal opportunity in all aspect of its relations with employees. Initial employment, promotions, raises, opportunities for training and enrichment, discipline, and other conditions of employment will be made without regard to color, race, religion, national origin, age, sex, gender, sexual orientation, gender identity, disability, genetic information, veteran status, political affiliation, or any other unlawful classification.

It is the responsibility of all NTMWD employees to ensure compliance with this policy. Violations of this policy will result in disciplinary action, up to and including ~~discharge~~ termination. An employee who feels he or she has been unlawfully discriminated against or harassed should notify ~~his or her supervisor~~ the Human Resources (HR) Manager immediately, pursuant to the Complaint Resolution policy. If the HR Manager is not available, then the employee should notify another designated person in the HR Department. If such complaint is about the HR Manager, then ~~employee's immediate supervisor, or if the employee otherwise is~~

~~uncomfortable filing the complaint with the immediate supervisor,~~ the complaint should be filed with the Assistant Deputy over Human Resources. ~~next higher level of supervision or with the Human Resources (“HR”) Manager.~~ An employee who complains under this policy will not be retaliated against for such a complaint.

To the extent reasonably possible, NTMWD will accommodate individuals with disabilities in the application, hiring, and employment process. Reasonable accommodation is available to all disabled employees and applicants, so long as the accommodation does not create an undue hardship for NTMWD, and can be provided without posing a substantial or imminent safety risk. Disabled individuals requiring accommodations should notify the HR Manager. NTMWD requests sufficient notice, when possible, to give time to arrange the accommodation.

1.4 Employment of Relatives

Applicants may not work in the same department as a family member, report to a family member, or report to the same supervisor of a family member. ~~or be in the same immediate chain of command of their~~ Ffamily members, including is defined as a spouse, domestic partner, parent, child, sibling, grandparent, grandchild, aunt, uncle, niece or nephew, as well as the “step” or “in-law” version of each. The hiring of first cousins must be approved by the applicable Deputy Director in coordination with the Assistant Deputy - Human Resources. “Domestic partners” are those who share a residence and are in a sexual and/or romantic relationship with each other, whether or not legally designated as domestic partners.

If related or romantically/sexually involved employees both work at NTMWD, the ED/GM has discretion to terminate one if the relationship creates workplace disruption or the appearance of impropriety, such as if one relative works in HR or executive management, or other capacity to affect the employment of their relative, or have access to such relative’s confidential information. Related employees must make every effort to keep their relationship out of the workplace, and should not involve themselves in the others’ employment concerns.

Current employees who become related after employment will not both be allowed to work in the same department, under the same supervisor, or to supervise each other ~~in the same chain of command.~~ If one relative is promoted or transferred, both will not be allowed to work in the same department, under the same supervisor or immediate chain of command to supervise each other. If there is no available position to which to move one of the employees, then one must resign, be terminated, or will not be promoted or transferred, unless authorized by the ED/GM. The two employees may have input into the decision of who will be transferred, separated or denied promotion, but the final decision rests with the ED/GM. Employees are on notice that workplace relationships may affect upward mobility and opportunities for promotion within NTMWD.

The hiring of employees shall not violate Texas nepotism law, which would prohibit the hiring of covered relatives of the ED/GM, who has final hiring authority for NTMWD. Moreover, because the members of NTMWD’s Board of Directors have authority to appoint the ED/GM, the ED/GM may not be related to a Board member within the proscribed degree.

1.5 No Employment of Certain Elected Officials

Applicants serving on the City Council or other governing body of a city or other entity with a contractual relationship with NTMWD are not eligible for employment with NTMWD, unless they will no longer be in the elected position when they begin employment with NTMWD, or unless specifically authorized by the Board of Directors.

1.6 Introductory Period

The first six months of employment (or following a promotion) will be considered an Introductory Period. During such time, the newly hired or promoted employee should evaluate the job, and the employee's supervisor will evaluate the employee's performance, to determine if the relationship is compatible. This is ~~in no way~~ not a guarantee of employment for the entire Introductory Period. Upon successful completion of the Introductory Period, the employee will be considered for regular employment.

1.7 Promotions and Transfers

All open positions will be filled with the individual most qualified for the job; however, existing employees will be given the first preference for any job positions if they are as equally qualified as non-employee applicants. Normally, employees will be informed of job openings through electronic postings a minimum of ten business days prior to final selection. In some cases, such as during a reorganization, current employees may be moved into another ~~lateral or lower~~ position without posting the opening. Outside candidates may also be recruited. The final decision will be made by the ED/GM or his/her designated representative.

An employee who is promoted will enter into an Introductory Period for six months following such promotion, as in the case of newly hired employees. Should the promotion prove to be unsuccessful, the employee may be returned to his or her original position, if still available, or terminated, either within or at the end of the six month period. Promotional opportunities may be limited pursuant to NTMWD's Employment of Relatives policy, if the promotion would put the employee ~~into the chain of command~~ under the supervision of a relative, under the same supervisor as a relative, in the same department as a relative, or into a sensitive or confidential position.

Lateral transfers from one department to another, or transfers that would result in a demotion of an employee, must be approved by the current manager and receiving hiring official.

1.8 Resignation

~~Any~~ employee who wishes to leave the service of the NTMWD in good standing must file a written notice of resignation with the supervisor at least two weeks before such resignation is to become effective. Such notice should state ~~the reasons therefore and~~ the effective date of the resignation ~~thereof. Employees who do not give such notice will not be entitled to any accumulated vacation leave pay.~~ An employee may not use vacation leave as a portion of the two weeks' notice, and may not use sick leave without a doctor's verification. NTMWD may choose

to waive the notice period and accept the resignation immediately, without pay in lieu of notice, or to have the employee work until the effective resignation date.

Unauthorized absence from work for a period of two consecutive days will be considered ~~as~~ a resignation from employment.

Employees who are not in good standing upon leaving the NTMWD will not be considered for rehire, unless authorized by the ED/GM.

1.9 Personnel Files

NTMWD maintains personnel files on each employee. These files contain documentation regarding all aspects of the employee's tenure with NTMWD, including performance. To ensure that the personnel file is up-to-date at all times, employees shall immediately electronically update the HR Information System ([Dayforce](#)) with any changes in name, telephone number, address, marital status, number of dependents, beneficiary designations, routing/banking information, tax withholding information, emergency contacts, etc. All medical information is maintained in a separate file, as required by law.

Employees who wish to view their personnel file must present a request in writing to the HR Manager. Employees may view their file only in the presence of an HR representative, who will provide copies of any requested items.

Personnel files, with certain exceptions, are public records. Employees who wish to maintain the privacy of personal telephone numbers, home address, and family information in the event of a Public Information Act request must [have signed](#) a request form, available through the HR Department, [prior to NTMWD's receipt of a request for public information](#).

1.10 Recruitment Incentive Program

NTMWD employees in regular, full-time positions are eligible for an incentive payment if they refer an external candidate who is ultimately appointed by NTMWD to a Target Position. Target Positions and the amount of the incentive payment will be communicated to employees as identified, and are generally limited to difficult-to-fill positions. To be eligible for the incentive payment, both the referring employee and the referred employee must be successfully employed six months after placement of the referred employee. The incentive payment as determined by the ED/GM will be added to the referring employee's paycheck after completion of the six-month period.

Employees directly involved in the recruiting or evaluation process of candidates for Target Positions will not be eligible for the incentive payment, such as ~~the~~ HR Department employees or hiring managers.

SECTION II. EMPLOYEE CONDUCT AND SAFETY

2.1 Work Rules and Discipline

All employees are integral members of the NTMWD team and, as such, are expected to accept certain responsibilities and adhere to acceptable business principles in matters of personal conduct and exhibit a high degree of personal integrity at all times. An employee's conduct, whether on or off duty, reflects on NTMWD. Consequently, all employees must observe the highest standards of professionalism, honesty and ethical behavior at all times, and are expected to contribute to a favorable work environment by performing responsibilities in a competent, enthusiastic, mature, and committed manner, and to show courtesy to their coworkers and the public. Employees are expected to ask questions and take the initiative to improve those areas where they need help. Employees are required to use common sense in their conduct, behave at all times in an honorable, safety-conscious and business-like manner, and to treat coworkers, supervisors, and the public with respect.

No list of infractions can be all-inclusive; thus, in addition to the overall principles stated above, the following is only a partial listing of the types of behavior which could lead to disciplinary action, including demotion, suspension, or ~~discharge~~[termination](#):

- (1) Commission and/or conviction of a crime or performing acts of dishonesty.
- (2) Engaging in illegal, unethical, abusive, or unsafe acts, including acts of sexual or other workplace harassment, and the use of abusive, profane, or threatening language.
- (3) Spreading destructive rumors, misleading other employees, creating a hostile work environment, or other disruptive behavior.
- (4) Incompetence, inefficiency, or negligence in the performance of duty; performing excessive personal work (personal phone calls, emails, texting, computer use, meetings) on NTMWD time or equipment; sleeping on the job.
- (5) Unsatisfactory appearance, hygiene, dress, or work area/vehicle cleanliness.
- (6) Acts of insubordination, or refusal or failure to carry out lawful instructions.
- (7) Threatening, intimidating, or coercing a supervisor or any other employee at any time.
- (8) Possession of weapons on NTMWD property, or while on NTMWD business, except as authorized as part of the employee's job duties or pursuant to the Workplace Violence and Weapons Policy.
- (9) Falsification of official documents or records, including job applications or personnel records;
- (10) Unauthorized or improper use of official authority.
- (11) Absence without leave, habitual tardiness (even by one minute), or excessive absenteeism; failing to report to work without a satisfactory reason or to notify supervisor within a reasonable time.

(12) Misappropriation, destruction, theft, or conversion of NTMWD property, whether on or off duty, including unauthorized use of salvage or surplus materials, scavenging, or unauthorized salvaging.

(13) Possession of, using, or being under the influence of drugs or intoxicating beverages, while on duty or otherwise, on NTMWD property (except use of alcohol while utilizing Bois d’Arc Lake while off duty and not representing the District), or otherwise violating NTMWD’s substance abuse policy.

(14) Violation of NTMWD's non-discrimination and workplace harassment policies.

(15) Making false statements or filing false charges or complaints against NTMWD, or any employee thereof; refusing to cooperate in an internal or NTMWD-related external investigation.

(16) Abuse of sick leave, disability, or other benefits provided by NTMWD.

(17) Failure to comply with other NTMWD policies or procedures, whether or not set forth in this Personnel Policy.

Any disciplinary action taken will be documented, in writing, by HR and the employee's supervisor. The employee shall receive a copy of the disciplinary action, and a copy shall be placed in the employee's personnel file.

An employee on disciplinary suspension will neither receive pay nor be eligible for vacation or other accrued benefits during the term of such suspension. The suspension may be only for a reasonable period of time, not to exceed 15 working days. Administrative leaves with pay, pending investigation, are not considered disciplinary action. During such administrative leaves with pay, employees will not be required to use accrued leave, and will be required to be available during the employee’s normal working hours.

Any employee disciplinarily discharged-terminated from employment (or who resigns in lieu of termination), because of disciplinary action shall not be eligible for rehire unless otherwise authorized by the ED/GM.

2.2 Ethics, Gifts, and Conflicts of Interest

2.2.1 General Conduct and Reporting Requirements

It is the responsibility of each employee to maintain the highest standards of integrity and personal conduct, and to prevent and report others engaging in unethical behavior. All NTMWD employees must follow federal, state and local laws and regulations.

Although off-duty NTMWD employees may use District facilities that are open to the general public in the same manner as the general public, they may not grant special access to areas not open to the public or allow the use of such facilities in an unlawful or unauthorized manner.

Bribes, kickbacks, and other unlawful payments are specifically prohibited. Any unlawful or unethical activities of employees, officers, vendors, contractors, suppliers or consultants must be reported immediately. Engaging in or failing to report unlawful or unethical activities will result in disciplinary action up to and including termination.

2.2.2 Gifts and Favors

Employees are not to accept or solicit any gift or gratuity of any kind from any agency, prospective or current contractor, supplier or vendor, or individual person who has any official contact or dealings with NTMWD, regardless of value. Examples of prohibited gifts include, but are not limited to:

- 1) Vacations, pleasure trips, or hunting trips;
- 2) Discounts, favors, benefits, products or services not available to the general public under similar circumstances;
- 3) Loans or advances;
- 4) Tickets or other entertainment free or at a discount unavailable to the general public.

A “gift” does not include:

- 1) food, lodging, transportation, or entertainment as a guest, when both the recipient and donor are present, or
- 2) a promotional item of nominal value

2.2.3 Business/Property Interest Conflicts

Selection of outside vendors and consultants shall be based on the business’s or individual’s merits, and there should be no actual or appearance of improper bias or profit or personal motive in selection. If any employee has a family (as defined in the Employment of Relatives policy), financial, employment, management, officer/board membership or ownership interest in a business entity being considered for contract with the NTMWD, that employee must notify the ED/GM in writing, and must remove him or herself from the decision-making process. For purposes of this policy, employees need not report financial interests consisting only of less than five percent common stock or share ownership.

If NTMWD does contract with an outside business that an employee has an above-listed interest in, that employee must be kept completely separate from any transactions and communications between NTMWD and the business.

If a NTMWD employee knowingly owns property within proposed boundaries of an NTMWD project under consideration, the employee shall inform the ED/GM in writing prior to Board consideration. Such employee must then remove him or herself from consideration of or involvement in such transaction.

2.2.4 Use of NTMWD Property and Salvage/Surplus Property

Employees shall not use or allow to be used NTMWD property for non-NTMWD purposes. Sale of property for personal gain is prohibited.

In the event that the NTMWD Board of Directors declares property to be salvage or surplus, the property may be sold for scrap value, disposed of, traded to an NTMWD vendor for credit or like materials, or donated to a non-profit entity. Such designation of salvage/surplus must be documented and signed. No NTMWD employee may purchase materials from NTMWD at less than market value.

2.2.5 Salvaging/Scavenging by Employees Prohibited

Scavenging and unauthorized salvaging of materials discarded by NTMWD or its customers are considered theft of NTMWD property and will result in disciplinary action up to and including termination.

The TCEQ defines scavenging as “the uncontrolled and unauthorized removal of materials at any point in the solid waste management system.” NTMWD extends this definition to include all NTMWD operations and systems. Scavenging is prohibited by employees, third party contractors, and customers. Any employee who observes a customer or third party scavenging has an obligation to inform them to cease the activity immediately and return the material; employees must report non-compliance to management.

Salvaging, as defined by TCEQ, is the controlled removal of waste materials for utilization, recycling, or sale. All salvaging must be approved by management and used for the sole purposes of NTMWD operations. Unauthorized salvaging by employees or third parties is prohibited.

2.2.6 Outside Employment

Employees should consider their first and primary responsibility to be to NTMWD. Therefore, other outside employment shall not be of such a nature to reflect adversely on NTMWD nor impair the employee's ability to do an effective job for NTMWD. Employees must notify their immediate supervisor timely and in writing of any outside employment in which they are involved. Should outside employment create any of the aforementioned problems, the employee may be required to give up the outside employment and/or be subject to disciplinary action, up to and including ~~discharge~~termination.

2.2.7 Political Activities

Employees are encouraged to exercise their legal right to vote and to be involved in activities of their community; however, employees shall not be required to contribute to any political fund or render any political service to any person or political party, and no employee shall be removed, reduced in classification or salary, or otherwise prejudiced for failure to do so.

Employees will not be allowed to perform or be involved in political campaigning or related activities during the normal working hours, while wearing NTMWD uniforms, badges, or insignia or while using NTMWD equipment. Employees may serve on boards or commissions but are prohibited from serving on the City Council or other governing body of a city or any other entity with a contractual relationship with NTMWD. Employees who run for such political offices must resign their employment with NTMWD upon announcement of candidacy, unless otherwise approved by the Board of Directors and/or the ED/GM.

2.3 Workplace Harassment, Including Sexual Harassment

The law prohibits harassment of employees on the basis of race, color, religion, sex, gender, sexual orientation, gender identity, national origin, disability, age, veteran status, genetic information, or any other classification protected by law. Harassment must be severe and pervasive to be illegal under the law, however, NTMWD prohibits all forms of harassment even if the conduct would not qualify as unlawful.

2.3.1 NTMWD Has a No-Tolerance Policy for Harassment of Any Kind

NTMWD will not tolerate harassment of its employees, whether committed by a fellow employee, a member of management, a vendor, ~~or even an official~~ a Board Member or other official, or a member of the public. Further, NTMWD will not tolerate harassment of members of the public, vendors, or any other third party by an NTMWD employee. Harassment is prohibited both during work hours and at any work-sponsored social function or other event. Harassment includes not only written or verbal comments, but any action over email, text message, or social media posting. All employees, including supervisors and managers, interns and contract employees will be subject to disciplinary action, up to and including termination, for any act of harassment they commit.

2.3.2 Definition of Sexual Harassment

Sexual harassment, one form of harassment, is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexually offensive nature, especially where:

- 1) submission to such conduct is made either explicitly or implicitly a term or condition of employment, such as conditioning a raise in salary on ~~the submission to sexual advances~~ engaging in sexual activity;

- 2) submission to or rejection of such conduct is used as the basis for decisions affecting any individual's employment, such as requiring potential new hire to go out with a supervisor or engage in sexual banter prior to extending a job offer; ~~or,~~
- 3) such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment; such as ~~continuous~~ unwelcome or repeated sexually-explicit comments directed at an employee; ~~or,~~
- 3)4) such conduct has the purpose or effect of ~~unreasonably~~ interfering with an employee's work performance, such as sexually explicit comments which impact an employee's attendance or productivity.

Examples of ~~sexual~~ prohibited conduct that could violate this policy include, but are not limited to; ~~unwelcome sexual flirtation, touching, or advances~~ or propositioning; unwelcome discussion of sexual activities; ~~offensive comments;~~ verbal abuse of a sexual nature; jokes, innuendoes, and other sexually oriented statements or ~~literature~~ writings; suggestive comments about an individual's dress or body; jokes and stories of a sexual nature; showing or forwarding sexually explicit images or writings, whether printed out or on a personal or NTMWD device; comments about one's sexual desirability or lack of desirability; gender stereotypes about women or men; or sexually degrading words describing an individual.

Examples of other types of workplace conduct that violate this policy include, but are not limited to, derogatory comments, jokes, stories, images, or writings about race, national origin, disability, gender, pregnancy, religion or age.

2.3.3 Responsibilities of Supervisors and Employees

Each member of management is responsible for creating an atmosphere free of such discrimination or harassment. Further, employees are responsible for complying with these policies and respecting the rights of their coworkers.

2.3.4 Reporting of Complaints of Discrimination or Harassment

Any employee who believes that the above policies of NTMWD are being violated should file a complaint to HR under the Complaint Resolution procedure set out in ~~Section III of~~ this manual. If such complaint is about the ~~employee's immediate supervisor, or if the employee otherwise is uncomfortable filing the complaint with the immediate supervisor, the complaint should be filed with the next higher level of supervision or with the~~ HR Manager, the complaint should go to the Assistant Deputy over Human Resources. All reports will be treated seriously and immediately investigated in as confidential a manner as possible, while balancing the need to conduct a thorough investigation. It is NTMWD's expectation and requirement that employees will participate in any investigation in which they are asked for information. Based on the findings of the investigation, the Department will take immediate and appropriate action to correct any circumstances of harassment prohibited by this policy.

Failure of a supervisor to immediately report allegations of harassment will lead to disciplinary action if it is determined that the supervisor had knowledge but did not report the information immediately to the appropriate management. Failure of a supervisor to cooperate in imposing immediate and appropriate corrective action against substantiated claims of harassment, as directed by management, will also lead to disciplinary action.

Under Texas law, a supervisor who fails to report allegations or observations of sexual harassment or who interferes with a management decision to take immediate and appropriate corrective action may be individually liable for sexual harassment. ~~Such complaints will be investigated as confidentially as possible, while still performing a thorough investigation. All employees are required to cooperate in an investigation under this policy.~~

2.3.5 No Retaliation is Prohibited

Any individual making a report of harassment will not be retaliated against for making such report. If an employee feels they have been retaliated against for making a report or for participating in an investigation, the employee should report it to HR immediately. Anyone found to have retaliated against an employee for making a complaint of harassment or for participating in an investigation will be subject to disciplinary action up to and including termination. ~~NTMWD prohibits any form of retaliation against any employee for filing a complaint under this policy, or for assisting or testifying in an investigation of such a complaint.~~

2.4 Whistleblower Protection

The Texas Whistleblowers Act protects public sector employees from adverse personnel action because they reported a violation of law to an appropriate law enforcement official in good faith. NTMWD strictly prohibits retaliation against employees who make a complaint under the Act. In order to maintain such a legal action, the employee who believes he or she has been retaliated against for reporting a violation of law to an appropriate law enforcement authority must first initiate action under the Complaint Resolution Procedures contained in this Personnel Policy.

2.5 Drug and Alcohol-Free Workplace Policy

NTMWD believes that all employees have a right to work in a drug-free and alcohol-free environment, and that Member Cities and Customers have the right to expect that NTMWD is a drug and alcohol-free workplace. Persons under the influence of drugs and alcohol on the job may pose serious safety, health and security risks to the public and to our employees.

2.5.1 Scope

This policy applies to all NTMWD employees regardless of rank or position and includes all full time, part time, and temporary employees. In addition, employees in positions requiring Commercial Driver's Licenses are also subject to heightened requirements.

2.5.2 Definitions

1) NTMWD Premises - All NTMWD leased or owned property including vehicles and parking lots. NTMWD Premises also includes other work locations where employees perform services in the course and scope of their employment with NTMWD.

2) Controlled Substance - Any substance listed in the federal Controlled Substance Act, and/or as defined in the Texas Controlled Substances Act.

3) Prohibited Drug - (i) prescription drugs or over-the-counter drugs that are not being used as intended, or which were obtained under false pretenses; (ii) prescription drugs that were not prescribed to the affected employee by a licensed physician; (iii) controlled substances; (iv) alcohol; (v) illegal inhalants such as volatile chemicals, abusable glue or aerosol paint; and (vi) “designer” or “synthetic” substances that mimic the effect of illegal drugs.

4) Reasonable Suspicion - when (i) based on sufficient articulable observations, management suspects that an employee is under the influence of prohibited drugs. Such observations include, but are not limited to, misbehavior or aberrant behavior, drug or alcohol odor, a reduced ability to perform work in a safe and productive manner, or an impaired physical or mental ability, such as incoherence, slurred speech or difficulty in maintaining balance; (ii) NTMWD discovers drug paraphernalia or any detectable amount of a prohibited drug on premises; or (iii) NTMWD learns from a credible source that this policy may have been violated.

5) Under the Influence - A state of having a blood alcohol concentration (measured through a breath or blood test) of 0.04 percent or higher; or the state of not having the normal use of mental or physical faculties resulting from the voluntary introduction into the body of a Prohibited Drug. Being under the influence may include, but is not limited to, misbehavior, aberrant behavior, reduced ability to perform work in a safe and productive manner, or impairment of physical or mental ability, such as incoherence, slurred speech or difficulty in maintaining balance. A final determination of “Under the Influence” may be made by professional opinion or scientifically valid tests.

6) Accident - An occurrence involving a motor vehicle operating on a public road which results in: 1) a fatality; 2) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident; or 3) one or more motor vehicles incurring disabling damage as a result of the accident, requiring the vehicle to be transported away from the scene by a tow truck or other vehicle. At management discretion, An accident may also include non-vehicular occurrences in the course of work where the employee or another person is injured or property damage (or a “near miss”), the incident occurs in a manner that appears to be the negligence of the employee, or otherwise could indicate the employee being under the influence. The term “accident” does not include an occurrence involving only boarding or getting out or off of a stationary motor vehicle, unless combined with reasonable suspicion

2.5.3 Prohibited Actions

Any of the following actions are prohibited and constitute a violation of the policy and may subject an employee to disciplinary action up to and including immediate termination:

- 1) Being under the influence of, or manufacturing, distributing, dispensing, possessing, selling, purchasing or using a Prohibited Drug~~Controlled Substance~~ while on or off NTMWD Premises at any time (except use of alcohol while utilizing Bois d’Arc Lake or the John Bunker Sands Wetlands Center while off duty and not representing the District);
- 2) Using, selling, purchasing, transferring, possessing, manufacturing, or storing a Prohibited Drug or drug paraphernalia, or attempting or assisting another to do so, while in the course of employment or engaged in a NTMWD sponsored activity whether on NTMWD Premises or on NTMWD business (except reasonable and limited consumption of alcohol at certain duty-related social events, such as conference receptions or while attending functions at the John Bunker Sands Wetlands Center. However, no employee in a work-related capacity or while representing NTMWD may ever be impaired or Under the Influence because of the excessive use of alcohol; or
- 3) Working or reporting to work, conducting NTMWD business or being on NTMWD Premises or while under the influence of a Prohibited Drug or in an impaired condition, or having such Prohibited Drug in one’s system at unacceptable levels, as shown by NTMWD-required testing.
- 4) Refusal or failure to submit to or cooperate with a drug and/or alcohol test.

It is the employee’s responsibility to know and understand any medication they are taking, prescribed or non-prescribed, as well as its contents and its residuals. When employees use substances that are not regulated by the Federal Drug Administration, they have no meaningful guarantee of what is in those substances, and therefore utilize them at their own risk. Employees may be subject to discipline for violations of this Policy, whether intake of an illicit substance was intentional or otherwise. NTMWD will follow all state and federal laws in determining whether allowing the use of medically-prescribed substances allowed under Texas law, such as low-THC cannabis products, as a reasonable accommodation for the employee’s disability is appropriate.

2.5.4 Heightened Requirements for CDL-Required/DOT Covered Positions and Safety Sensitive Positions

Every employee whose job requires a Commercial Driver’s License (CDL), per the federal Department of Transportation (“DOT”) regulations, is covered by each requirement and prohibition in this policy. In addition, any such DOT-covered employees and applicants are also subject to testing under the DOT regulations, and other requirements. In addition, positions designated as “safety sensitive” may also be subject to random drug testing. For more information about these additional procedures and requirements, please contact the HR Department.

2.5.5 Prescription and Over-the-Counter Drugs

If the medically approved and appropriate use of a prescription drug or over-the-counter drug adversely affects the employee's work performance or the safety of the employee or others, the NTMWD reserves the right to limit, suspend, or modify the employee's work activity, or otherwise reasonably accommodate such adverse effect or risk. The supervisor, in conjunction with management, will determine whether the employee may remain at work and whether any work restrictions are necessary. All medical information will be kept confidential. All prescription drugs must be kept in their original container.

2.5.6 Drug and/or Alcohol Testing

NTMWD reserves the right to perform the following types of drug testing:

- 1) Pre-employment testing for safety sensitive and DOT/CDL positions
- 2) Random employee testing for safety sensitive and DOT/CDL positions
- 3) Reasonable suspicion testing (after consultation with the HR Manager or designee)
- 4) Post-accident testing

The HR Department maintains a current list of safety-sensitive and DOT/CDL positions.

2.5.7 Requests for Addiction Assistance/Amnesty

NTMWD encourages any employee who has an alcohol or other drug problem to seek treatment before the problem manifests itself in a violation of this Policy. All inquiries about assistance and treatment providers will be kept strictly confidential and will be disclosed only to those persons who have a legitimate business need to know the information. To avoid disciplinary action or termination, an employee must voluntarily come to seek treatment BEFORE NTMWD notifies or schedules the employee for testing or otherwise discovers a violation of this Policy. The request for amnesty based on addiction and desire for treatment must be made in writing to the HR Manager, or designee. The employee must agree to and successfully complete an approved treatment program, execute an authorization for release of relevant treatment and return-to-work records, and agree to be subjected to random testing upon return to work as a condition of continued employment.

NTMWD considers alcoholism and other drug addictions to be illnesses that may be eligible for the benefits provided under NTMWD medical insurance program and other policies. NTMWD will work to assist those employees desiring treatment in finding appropriate resources. Participation in a rehabilitation program does not excuse employees from complying with NTMWD's policies or from meeting job requirements before, during, or after assistance is received, except as required by the Family and Medical Leave Act (FMLA).

These guidelines apply to only one requested leave of absence. Any request for an additional leave of absence for drug or alcohol treatment will be handled on a case-by-case basis and granted only at the sole discretion of NTMWD, and as required by law.

2.6 No Solicitation/Distribution

Employees may not distribute literature or printed materials of any kind, sell merchandise, solicit financial contributions, or solicit for any other cause during the working time of the employee doing the soliciting or the employee being solicited unless prior approval is received from the ED/GM. This policy also applies to solicitations via NTMWD's e-mail, other electronic communication systems, and telephonic communication systems.

~~2.7 Bulletin Boards~~

~~—To maintain an effective avenue for communicating with employees, NTMWD maintains bulletin boards, both electronic and those physically located throughout its facilities, to ensure that employees have access to posted information as required by law. Bulletin boards are also used to communicate NTMWD's policies, business and announcements, including but not limited to, safety, health, benefits, special events, etc.~~

~~—In keeping with the No Solicitation/Distribution Policy, employees may not use the bulletin boards to distribute literature, sell merchandise or property, post notices of events, either commercial or personal, or other material for solicitation purposes, unless prior approval is received from the ED/GM.~~

2.87 Notice of Absence/Scheduling of Absences

When an employee is going to be tardy or absent from work for any reason, notification should be given to the immediate supervisor as soon as the need for the absence is known and in no case later than prior to the scheduled reporting time. If the employee is unable to contact the supervisor directly, a message containing the name and telephone number where the employee can be reached and the reason for the absence must be left at the work site. Failure to comply with this notification requirement will automatically result in the absence being deemed unauthorized. Unauthorized absence from work for a period of two consecutive days will be considered as a resignation from employment, and will result in automatic separation.

Except as otherwise required by the Family and Medical Leave Act, this notice procedure must be followed each day of the absence, unless specifically waived by the supervisor. Waiver of this requirement will be granted under such conditions as a time-specific hospital confinement or written restrictions prohibiting any and all work as prescribed by the health care provider. Notice of any scheduled follow-up treatment of illness or injury must be provided to the supervisor as soon as it is scheduled, and must be approved by the supervisor, as allowed by law.

Employees are expected to report to work whenever physically possible, and as long as reporting poses no safety or health threat to the employee, coworkers or the public. Those employees not physically able to perform their normal duties may be assigned light duty by their supervisor, which is appropriate to their physical condition and is consistent with the needs of NTMWD. A statement from the employee's treating physician, indicating that light duty is recommended, is required prior to any assignment thereof. An employee who reports to work unfit for duty, whether because of physical condition, contagion, or otherwise, will be sent home at the

discretion of the supervisor and may be required to submit a fitness for duty release before being allowed back to work.

2.98 Tobacco / Nicotine-Free Workplace

All NTMWD buildings and vehicles are designated tobacco/nicotine-free. Employees are prohibited from using tobacco/nicotine products or allowing others to use tobacco/nicotine products in all NTMWD buildings, within 15 feet of a building entrance, and in NTMWD vehicles. This prohibition includes smoking, vaping and chewing products containing nicotine. Also prohibited is vaping or smoking products that are nicotine-free. Nicotine containing products prescribed for smoking/vaping cessation programs shall be allowed during the treatment period.

On a one-time basis, ~~or as required to avoid an insurance surcharge,~~ NTMWD will pay for or reimburse the employee the actual cost of successfully completing a non-smoking or other nicotine cessation course. Prior to enrolling in a tobacco/nicotine cessation program the employee shall notify his/her immediate supervisor and the HR Manager or his/her designee, in writing, to request confirmation that the program is suitable for funding/reimbursement. The notice shall include the name of the physician or group administering the program, phone number, and the cost of the program. Approval must also be in writing.

The employee must schedule attendance at the program during non-working hours. Employees must present proof of enrollment and attendance. This shall be a one-time option; ~~except as otherwise required for the insurance surcharge program.~~

2.102 Safety and Health - Compliance with Laws

To ensure that all employees are familiar with the basic rules of safety, NTMWD has published and made available to employees a list of safety rules relevant to specific work areas and positions, which employees should obtain from their supervisor. A violation of safety rules may lead to disciplinary action, up to and including ~~discharge~~termination.

NTMWD desires to comply with all applicable laws and regulations in the operation of its business. Should any violation be observed, employees are encouraged to immediately report same in accordance with the complaint procedure. There will be no retaliation against any employee who finds it necessary to report any such violation.

2.140 Workplace Violence and Weapons

NTMWD is concerned about the increased violence in society, which has also filtered into many workplaces. NTMWD expressly prohibits its employees from bringing any non-NTMWD owned weapons on its premises or in its vehicles, and expressly prohibits any acts or threats of violence by any NTMWD employee toward NTMWD's employees, customers, or visitors. Even jokes about committing acts of violence are strictly prohibited.

NTMWD is committed:

- (1) To provide a safe work environment.
- (2) To take prompt remedial action against any employee, former employee, customer or visitor to NTMWD's facilities, who engages in any acts or threats of violence, or obscene, abusive, threatening language or gestures. Such action may include notifying the appropriate law enforcement agency and prosecuting violators to the maximum extent of the law.
- (3) To prohibit employees from bringing firearms, with or without a legal permit, or other weapons, onto NTMWD's premises, facilities, or other property (except firearms or ammunition that remain secured in the employee's locked personal vehicle and that the employee possesses legally, and except when the employee is off-duty and not representing the District, and bringing legal firearms to a location where the general public is authorized to bring firearms).

Any employee who engages in, inappropriately jokes about, or displays a tendency toward violent, abusive or threatening behavior will be subject to disciplinary action, up to and including ~~discharge~~termination.

All employees of NTMWD have an obligation to warn their supervisor or other representative of NTMWD, of any suspicious workplace activity, situations, or incidents that they may be aware of that are in violation of this policy. Employee reports of such activity will be held in the strictest confidence and NTMWD prohibits any form of retaliation against any employee making such a report.

For purposes of this policy, Weapons are defined as any device or object capable of causing serious bodily injury or death to another person, including, but not limited to, handguns, shotguns, rifles, explosive devices, and knives with blades more than three inches in length. "Weapons" do not include mace, pepper spray or other similar devices intended for self-defense to temporarily disable a person, or pocket knives with blades three inches in length or shorter.

2.121 Emergency Weather Conditions

NTMWD has established emergency weather condition procedures. Revisions to such procedures may be made from time to time by the ED/GM. Employees are expected to review and familiarize themselves with these procedures.

2.132 Electronic Communications, Computer, Social Networking and Internet Policy

To facilitate business communications and work-related research, NTMWD provides employees access to various types of telecommunications equipment, including but not limited to the following: Internet, phones and voice mail, wireless devices, computers and related equipment, and e-mail.

All materials, information and software created, transmitted, downloaded or stored on the NTMWD's computer system are the property of NTMWD, and employees have no reasonable expectation of privacy in such information.

Employees may access the Internet and use equipment for appropriate non-business purposes during breaks in accordance with the provisions of this policy. Any expense incurred as a result of personal use of NTMWD equipment must be reimbursed within 30 days. Inappropriate use includes but is not limited to the following: 1) transmitting, accessing, displaying, posting, recording, downloading or distributing obscene, harassing, sexually explicit, racially offensive, or any other material that would violate NTMWD's discrimination and harassment policies, 2) using the equipment and/or systems for personal financial gain, political, religious or charitable campaigning, or soliciting for outside, non-NTMWD-related organizations or commercial ventures; and, 3) transmitting any confidential or proprietary information. Transmissions covered by this policy include email, text messages, instant messages, and on-line applications and postings.

Employees who post material on social networking and other Internet sites, blogs, or other public forums must take extreme caution not to appear to be representing NTMWD in any manner, whether during or after their working hours.

This policy does not, however, prohibit employees from exercising their First Amendment rights. Employees have the right to speak out as private citizens on matters of public concern, so long as the speech does not unduly disrupt the operations or mission of NTMWD. Harassing, bullying or demeaning coworkers or customers, or creating a hostile, discriminatory or retaliatory workplace through on-line posting violates this policy.

Employees are reminded that other NTMWD policies and directives concerning communications, ethics, harassment, and other topics are to be followed when using social media. Particularly:

- 1) Employees are prohibited from disclosing, posting, or discussing any information ~~concerning information~~ that is confidential, including pending litigation.
- 2) Employees may not communicate on behalf of NTMWD, or give the impression of speaking on behalf of NTMWD, without prior authorization and as otherwise required by their job duties.
- 3) Employees are prohibited from making any statements and/or comments that disparage any race, color, religion, gender, age, sexual orientation, gender identity, genetic information, veteran status, disability, national origin or other protected classification of anyone who works at NTMWD or who does business with the NTMWD.

Copies of e-mail messages should be sent only for valid business reasons. No employee shall send e-mail under another employee's name without authorization. NTMWD confidential information must be protected from improper dissemination to unauthorized employees or to third parties.

Employees shall not access, copy, alter, or destroy anyone else's computer files, or portions thereof, without explicit permission (unless authorized or required to do so by law or regulation). Simply being able to access a file does not imply permission to do so.

2.143 Driving and NTMWD Vehicles Policy

It is the policy of NTMWD that drivers operating NTMWD vehicles or personal vehicles on NTMWD business obey all applicable laws and regulations pertaining to operation of motor vehicles, trucks, and any other type of equipment that may operate on roadways, streets, highways, and public or privately owned property. NTMWD employees are required to observe safe and courteous driving habits at all times in order to prevent accidents and maintain compliance with traffic laws.

2.143.1 License and Insurance Requirements

Employees required to drive as part of their job duties are responsible for maintaining a current, valid and vehicle-appropriate driver's license of their resident state. Such employees must also maintain a safe driving record so that the individual is compliant with the applicable NTMWD job description and continue to be insurable by the NTMWD's insurance carrier. Employees with poor driving records may still be insurable but cause the NTMWD to incur extra cost due to assignment to a higher driver-risk category. In such instances, the NTMWD may revoke driving privileges, which may result in termination, or require the employee to be responsible for the added expense. Employees with driving responsibilities must report immediately to NTMWD any changes to their driver's license status, including license restrictions, suspension, revocation or expiration.

2.143.2 Accident Reporting

All vehicle accidents are to be immediately reported to the supervisor or department manager. Within 24 hours or by the next business day, the NTMWD ~~Administration~~ [Safety](#) Department must be notified so that the insurance carrier is contacted, and the NTMWD and Texas Water Conservation Association (TWCA) accident report forms must be completed and forwarded to the ~~Administration~~ [Human Resources](#) Department. If other vehicles are involved, as a minimum, the driver's name, address, license number, and insurance provider information should be obtained. Any vehicle accident occurring on a public roadway, involving injuries, or involving property damage must also be reported to the appropriate law enforcement agency.

2.143.3 Documents Kept in Vehicles

It is the responsibility of the NTMWD driver to make sure that all NTMWD required documents are present in the vehicle prior to departure, including: 1) NTMWD Accident Report Form, 2) TWCA Accident Form; and, 3) Texas Automobile Insurance Identification Card.

2.143.4 Seat Belts

All employees and vehicle occupants must wear seat belts when operating or riding in a NTMWD vehicle or equipment provided with seat belts, even if operation is confined to NTMWD premises. All employees and vehicle occupants riding in a personal vehicle on NTMWD business must wear seatbelts.

2.143.5 Vehicle Passengers

NTMWD vehicles are operated and maintained for official work purposes. Only designated employees may drive NTMWD vehicles. Vehicle passengers who are not NTMWD employees should be present only in the course of conducting legitimate work duties. Such passengers may include contractors, consultants, service providers, vendors, other public agency employees, etc. Family members or any other person not connected to NTMWD work programs will not be allowed to ride as passengers, except in emergency situations.

The NTMWD may make an exception to this policy and allow family members only to ride in NTMWD vehicles for certain NTMWD-related events. Before transporting a family member to an event, the employee must receive authorization, in writing, which must describe the event, be signed by the supervisor, and be placed on file with the NTMWD.

2.143.6 Service and Care of NTMWD Vehicles

Employees assigned a NTMWD vehicle are responsible for ensuring it has proper fuel, oil, and repairs, and must maintain and turn in receipts with vehicle number and mileage recorded. Employees must immediately report any malfunctions or service needs. Employees must properly park and secure vehicles when leaving them unattended, and are never to leave keys in the vehicle.

2.143.7 Overnight Use of Vehicles

Employees driving a NTMWD vehicle home overnight must be authorized by his/her supervisor based on the need for 24-hour emergency call availability. Otherwise, NTMWD vehicles may not be used for commuting. Vehicles may not be used for non-NTMWD purposes, must be parked off-street and in a safe location, and only the authorized employee may drive the vehicle.

2.143.8 Traffic Citations and Penalties

Traffic citations for violations of the law while operating a NTMWD vehicle, and any resulting monetary penalties, are the responsibility of the employee, unless the mechanical condition of a vehicle is at fault or other contributing conditions are present that are determined by NTMWD to be beyond the control of the employee.

2.143.9 Substance Abuse

It is strictly prohibited to operate any vehicle while under the influence of alcohol and/or drugs. The use of legally obtained prescription medication or drugs does not relieve the vehicle driver of the obligation to be sober and capable of safe vehicle operation.

2.143.10 CDL Drivers

NTMWD employees holding a Commercial Driver's License (CDL) must obey all federal and state regulations affecting CDL holders, including the following:

- 1) A driver may not hold more than one CDL.
- 2) A driver must notify NTMWD and Texas DPS within 30 days of conviction for any traffic violations with the exception of parking citations, regardless of the type of vehicle involved.
- 3) A driver must immediately notify NTMWD if the CDL is suspended, revoked, or cancelled, or if disqualified from driving for any cause.
- 4) A driver may not operate a commercial motor vehicle without a valid CDL.
- 5) Drivers are responsible for monitoring and complying with Texas Intrastate on-duty time limitations:
 - a. After eight consecutive hours off duty, drivers may drive up to 12 hours and may be on duty up to 15 hours before requiring another eight-hour break.
 - b. Drivers may not be on duty more than 70 hours in seven consecutive days.

2.154 Cell Phone Use/Texting While Driving

Use of a handheld cell phone or other handheld mobile device while driving a NTMWD vehicle, or while driving for NTMWD business purposes, or while operating NTMWD equipment is strictly prohibited. The driver may not dial, type, read or respond to emails and text messages, access the internet, request directions, or any other activity that could result in the driver being distracted or taking his or her eyes off the road. The driver must at all times wait to respond to the text or email until it is convenient and safe for the employee to pull off the road, stop, and park the vehicle. Any necessary voice calls while on the road must be facilitated by the use of hands-free technology. Similarly, employees are cautioned to exercise care in the use of two-way radios and any other device that could divert the driver's attention from the continued safe operation of the vehicle.

2.165 Uniforms

NTMWD will provide uniforms to certain employees at no cost to the employee. Employees designated to wear uniforms must wear the complete uniform on the job, unless adjustment is required to reasonably accommodate religious or medical requirements. In addition, designated employees must wear proper footwear, which will be reimbursed annually or less frequently as needed. ~~In order to receive reimbursement, t~~The supervisor will provide the employee with the specific uniform requirements for his or her job. Upon separation from

employment, all uniform items must be accounted for and returned, or the employee will be responsible for the cost through payroll deduction.

Employees are responsible for keeping their uniform clean and neat. Employees required to wear a uniform will be sent home on their own time to change if they report to work without properly wearing a complete uniform.

2.176 Record Retention and Public Information

As a ~~governmental~~ public agency, any information related to NTMWD business, including text messages and photographs, must be retained according to Record Retention laws, and may be subject to public release under public information laws, agency investigations/audits, and subpoenas, even if it is created, transmitted, downloaded, or stored using personal electronic devices (e.g., cell phones, notebooks, etc.). Employees are strongly encouraged to use email rather than text when communicating remotely, whenever possible.

If an employee does have a work-related text, photograph or other communication on a personal device that has not gone through NTMWD's server, it must be transferred to NTMWD's files as soon as possible, and, according to law, **no later than 10 days**. If metadata cannot be preserved in the transfer, the employee must also continue to save the metadata on the personal device. It is a violation of this policy, and a Class A Misdemeanor, to delete, destroy, or otherwise make unavailable NTMWD business records.

2.187 Reporting Requirements for Significant Issues

It is crucial that NTMWD management is made aware of significant issues impacting NTMWD services, liabilities, customers and employees, and in a timely manner. All NTMWD employees must be familiar with all laws and regulations pertaining to their duties, and must report to their supervisors, within four hours:

- 1) any instance of an act or omission that may expose the NTMWD to civil, criminal, or other financial liability;
- 2) loss of service impacting NTMWD Retail Customers, Member Cities, Wholesale Customers, or such entities' retail customers;
- 3) reports made to regulatory agencies ~~concerning~~ concerning matters that may have a significant impact on the NTMWD's legal or financial rights or obligations (except that employees are not required to report their own external complaints of discrimination, harassment, retaliation, or other workplace concerns);
- 4) the work-related death or injury of a NTMWD official, employee, or contractor; and
- 5) any other matters of significant public interest, including but not limited to, those matters likely to generate major media coverage.

Such issues are to be reported up the chain of command to the ED/GM who shall, in turn, report the information to the Board of Directors in a timely manner.

2.198 Employee Performance Evaluations

~~It is~~ NTMWD's ~~policy for~~ supervisor's ~~to~~ will evaluate employee's work performance in order to recognize good performance, identify areas needing improvement, create incentives for increased efficiency and good conduct, provide a record to support employment actions, and improve communications between supervisors and employees. Evaluations are to be conducted by the employee's supervisor during the introductory period of a new position (at three and six months), and annually thereafter. Evaluations, among other things, will also form the basis for compensation adjustments.

2.2019 Telework Arrangements

Telework is an arrangement where an employee works from an alternate workplace. Eligible employees assigned to telework are expected to maintain an acceptable level of productivity and performance. It is NTMWD's policy to provide management the discretion to authorize telework for specific situations to provide flexibility, work-life balance and the ability to respond to changing conditions and emergencies. All employees who are deemed eligible by Human Resources for telework must execute a Situational Telework Agreement, and certain employees who are eligible for regularly scheduled telework (up to two days per week/four days per pay period) must execute a Core Telework Agreement. Telework arrangements will be reevaluated annually and on an as-needed basis, and may be modified or terminated based on the needs of the employee and NTMWD.

Telework is a privilege and not a right. Abuse or misuse arising from telework employees can lead to suspension or elimination of any and all telework arrangements.

Additional information on the implementation and operation of this policy is found within Administrative Directive 46, dated November 2020.

Eligibility

Telework eligibility is not a right, but is within the discretion of management. Employees may be eligible for telework, or continued telework if they:

- 1) occupy a telework-eligible position – one that does not currently require performance of on-site activity that cannot be handled from an alternate location;
- 2) have sufficient equipment and connectivity, designated appropriate space, childcare when appropriate, and minimal distractions at the alternate work space to avoid work disruption and maintain safety;
- 3) have completed their first six months of employment successfully, and their introductory period has not been extended;
- 4) have demonstrated work habits suited to telework, as determined by their supervisor and line management;
- 5) are not under a Performance Improvement Plan;

Expectations for Teleworkers

- 1) be available and responsive to the same extent as if the employee were working on-site;

- 2) perform work during the District's normal office and core working hours, unless an alternate schedule is approved by the supervisor and manager;
- 3) remain logged into the instant messaging system currently in use by District while teleworking;
- 4) for employees with emergency response duties, be able to report to the emergency response location within two hours of notification;
- 5) maintain performance standards applicable to all employees, and abide by all personnel policies and the Safety Checklist for Teleworkers²² that is part of the telework agreement;
- 6) use sick leave if not well enough to work;
- 7) return to the regular worksite on scheduled telework days when instructed by supervisor per operational needs;
- 8) accurately record working time.

SECTION III. COMPLAINT RESOLUTION

3.1 Employee Grievances, Complaints, and Appeals of Disciplinary Actions

NTMWD wants its employees to be heard when they have a concern about work-related matters, or feel that a formal disciplinary actions was not administered properly. No employee will be retaliated against for the use of the complaint resolution procedure. Employees who engage in retaliatory actions will be subject to disciplinary action, up to and including ~~discharge~~ [termination](#).

Employees should use the following procedure to raise workplace grievances and complaints, and to appeal formal disciplinary actions (referred to collectively as "concerns"):

1. Employees should promptly direct concerns, in writing, first to the Human Resources Manager or designee, who will document the concern for tracking purposes, and will determine the appropriate level for initial resolution. Supervisors and managers who receive written employee concerns directly must promptly forward them to HR. HR may determine that the concern should first go to the employee's immediate supervisor, to a higher level of management, or that it should be investigated by the HR Department or an outside investigator.

2. If HR refers the concern to the supervisor or a manager (including Deputy Director or ~~Officer~~ [Assistant Deputy](#)), the supervisor or manager should document any discussions, initial investigation, and response. If the concern cannot be resolved by the supervisor or manager to the employee's satisfaction, the employee may use the following steps for a resolution of the concern, or may go directly to [the HR Manager or designee](#) at any time during this process:

(a) Within 10 business days after the assigned supervisor's or manager's decision, the employee may request submission of the written concern to the next level manager, with a copy to HR. If not resolved at this level;

(b) Within 10 business days after the manager's decision, the employee may request, with a copy to HR, submission of the concern to the Deputy Director or ~~Officer~~ [Assistant Deputy](#) over the employee's area, if not already at that level. If not resolved at this level;

(c) Within 10 business days after the decision, the employee may request, with a copy to HR, the concern be submitted to the ED/GM, if not already at that level.

(d) After a concern has been received at any of the above levels, it will be promptly reviewed, including any discussion or investigation by the reviewing manager necessary to respond, and an answer given to the employee, copied to HR, in writing. The ED/GM may establish whatever procedures deemed necessary to review and study any concern.

3. If HR determines that the concern should be investigated and addressed through HR, or referred to an outside, third-party investigator, the HR Manager or designee will inform all parties, and conduct, or prompt an investigation to be conducted ~~cause to be conducted, an investigation.~~

(a) The findings of the investigation and any recommendations will be forwarded to the appropriate level manager or, when warranted, to the ED/GM, for a determination on action to be taken.

(b) If the employee is not satisfied with the determination of the manager, the employee may, within 10 days after the decision, request a review by the next level of management, up through the ED/GM, unless the ED/GM is the last decision-maker.

4. The decision of the ED/GM shall be final except in cases where the concern contends that the ED/GM is personally engaging in illegal, unethical, or discriminatory conduct, in which case, the employee may appeal to the Personnel Committee of the Board, in writing, copied to HR. Such appeal of the concern to the Personnel Committee must be made within 10 business days of the ED/GM's decision. The Personnel Committee of the Board may review the matter in any manner it feels appropriate and may either reject the appeal, act on the matter, or place it as a special item on the agenda of the next Board meeting for the Board's decision. The decision of the Personnel Committee of the Board, or the full Board, shall be final and binding on the employee.

5. In the case of appealing a termination of employment, terminated employees will not be paid or otherwise considered NTMWD employees during the appeal process. The ED/GM may decide to retroactively reinstate a terminated employee's pay and status should the termination decision be reversed.

3.2 Alternate Hotline Method to Report Workplace Wrongdoing

For reports of workplace misconduct or other violations, employees may choose to forgo the procedures above, and use the District's independent third-party Hotline provider for concerns such as:

- 1) Criminal Misconduct
- 2) Discrimination
- 3) Ethics and Compliance
- 4) Financial Issues
- 5) General Misconduct
- 6) Harassment and Hostility

- 7) Timekeeping and Overtime violations
- 8) Privacy and Security
- 9) Safety

Employees may choose to remain anonymous using this method. Employees should be aware that requesting full anonymity may impact the ability to fully investigate the concern.

SECTION IV. COMPENSATION AND REIMBURSEMENT

4.1 Work Week and Office Hours

The normal working time of full-time employees shall be 40 hours per week. Although some employees work alternating longer shifts, a “workday” for purposes of calculating holiday pay ~~and FMLA usage~~ shall be 8 hours. If the employee normally works a longer day on a paid holiday, the employee may use vacation or other paid time off accruals to make up the extra hours (for sick leave use for extra shift hours, medical documentation may be required). A “workday” for calculating FMLA, sick leave, and vacation usage shall be the employee’s regularly scheduled hours for the day taken. The hours during which employees work shall be determined by the ED/GM or designated representative. NTMWD’s seven-day work period for purposes of calculating overtime is 12:00 a.m. Sunday through 11:59 p.m. the following Saturday, unless specifically modified in writing to address an unusual work schedule.

Normal office hours are 8:00 a.m. through 5:00 p.m., and supervisors are authorized to allow for variations in daily work schedules. Core office hours are between 9:00 a.m. and 4:00 p.m., except during scheduled lunch breaks. Supervisors may approve alternate work schedules for employees such as: ~~Office hours may also consist of: (9 hours/day, 4 ½ days/week); (9 hours/day, 80 hours/pay period for exempt employees only); and (10 hours/day, 4 days/week),~~ but again, no more than 8 hours per day will be used in calculating holiday pay ~~and FMLA usage~~. Supervisors are responsible for ensuring necessary staffing levels exist to adequately carry out business functions. Generally, employees should not start work prior to 7:00 a.m. nor work later than 6:00 p.m., unless they work a specific shift position at other hours.

4.2 Regular Salary

Each employee of NTMWD shall be paid in accordance with a formal Salary Plan as approved by the Board, in conjunction with the approval of the Annual Operating Budget. The Salary Plan shall provide a salary range for each job classification. The ED/GM or designee shall determine the salary within the range merited by each employee on a periodic basis.

4.3 Overtime

~~It is the policy of~~ NTMWD ~~to compensate~~ its employees in compliance with all state and federal laws relating to wages and hours, including the Fair Labor Standards Act and its overtime and minimum wage requirements. Certain categories of salaried employees are exempt from these

requirements under the FLSA law and regulations, and positions designated as “exempt” are not entitled to overtime compensation described in this section.

It ~~shall be~~ is the general policy of NTMWD to avoid non-exempt employees working frequent overtime. Overtime for such employees is defined as time worked in excess of 40 hours in any seven-day work week. Only actual ~~time~~ hours worked and holiday hours, excluding any fringe benefit hours such as vacation, sick leave, ~~holidays~~, and emergency leave, are to be included as hours worked in the computation of overtime hours to be paid at time and a half rates, with the following exception: Any hours worked as a result of a call-out on a NTMWD designated Holiday in accordance with the Call-Out Bonus policy, as set forth in ~~Section 4.5 of~~ this manual, shall be paid at time and a half rates as long as the employee is eligible for 40 hours of other pay, which may include fringe benefit hours during the work week, excluding bonus hours for callout.

In the case of emergency or unusual situations, overtime work may be performed with prior approval of the ED/GM or ~~his~~ their designated representative. Normally, NTMWD will ~~pay~~ compensate employees for overtime ~~at the rate of one and one half (1 ½) times the actual time worked in the form of monetary payment~~, rather than providing compensatory time off. However, employees may request their supervisor's approval to receive compensatory time off at a rate of one and one half (1 ½) times the actual time worked. If compensatory time is to be taken for overtime worked, it shall be taken within the pay period the overtime occurs, or it will be cashed out. However, certain positions as designated by the ED/GM, such as Construction Inspectors, shall not be required to take or cash-out time during the pay period the overtime occurred, as long as their compensatory time bank does not exceed 240-60 hours, at which point any accumulation over the 240-60-hour limit will be cashed out.

All accrued, unused compensatory time will be cashed out upon separation from employment for any reason, or at the time of promotion from a non-exempt to an exempt position. If a non-exempt employee terminates employment with NTMWD, such employee will be paid for any overtime worked for which he or she has not taken compensatory time within the current pay period.

4.4 Travel Time

Ordinary commuting time between the employee's home and work is generally not compensable except in an emergency call-back situation. Certain employees, however, may be approved for Temporary Duty Assignments at job locations that require additional travel distances to and from work. If designated by the ED/GM, such employees may designate the additional travel time on the time sheet for each date the employee is on Temporary Duty Assignment. Such travel time within the NTMWD service area will entitle the employee to additional straight time pay, but will not be counted as “time worked” for purposes of calculating overtime.

If the non-exempt employee is assigned to go on an out-of-town trip for training or other event outside of the NTMWD service area, the same-day travel from the employee's home and back will be considered “time worked.” For overnight trips, all time spent traveling when the employee is the driver, less meal breaks, is compensable, but time spent as a passenger is compensable only during the employee's regular working hours, even if occurring on non-working

day. Once the employee arrives at the destination, non-working or training time at a hotel or other venue is not compensable when outside the employee's normal workday.

4.5 Callout Bonus

Employees who are called to return to work from off-duty after the end of the regular work shift shall receive one (1) bonus hour per callout. A bonus hour will not be paid for overtime work continued beyond a regular work shift, as this is not considered a callout. Neither will a bonus hour be paid for scheduled overtime. In addition, time spent traveling between the employee's home and the worksite for emergency callout, if the employee has already worked and gone home that day, is counted toward the employee's actual working hours for the week.

If the callout occurs on a NTMWD designated Holiday, time worked is paid at time and one-half, so long as the employee is eligible for 40 hours of other pay, which may include fringe benefit hours, during the workweek, excluding callout bonus hours, and the callout time worked is on the day of the holiday.

4.6 Holiday Pay for Alternate Work Schedules

Holiday pay is always eight hours per day, regardless of the length of the employee's normally scheduled work day. If an employee is normally scheduled for more than an eight-hour day on the day of the holiday, then vacation or compensatory time ~~must~~may be used for any normal work time over eight hours.

For example, if an employee is normally scheduled to work a 12-hour day on the day the holiday falls, then the employee would receive eight hours of holiday pay, and ~~would~~may use four hours of vacation or compensatory pay from the employee's vacation or compensatory time bank. If no vacation/compensatory pay is available, or if the employee chooses not to use ~~vacation pay~~accrued time, then the employee's pay will be docked four hours. Sick leave may not be used on a NTMWD designated holiday without medical documentation and express authorization from the employee's supervisor.

4.7 Timekeeping

All non-exempt employees must keep an accurate record of their actual time worked, their time off, and of their non-working time out of the office during their regular working hours. Time records are official government documents which must reflect actual time worked. If less than a full work day is spent at work, then the time sheet must reflect that fact.

For purposes of tracking paid and unpaid leave, all exempt employees must keep an accurate record of their time off when they have actually worked less than 40 hours in the workweek, or when they take an entire day off.

Non-exempt employees should track their time by rounding to the nearest 15-minute increment. Exempt employees should track their time off in one-hour increments.

4.8 Wage Deductions for Exempt Employees

This policy applies only when deductions are made from the wages of salaried, exempt employees. Deductions from accrued leave banks are allowed in partial or full day increments, and are not covered by this policy.

Exempt employees paid on a “salary basis” are those who regularly receive a predetermined amount constituting all or part of the employee’s compensation, which is not subject to deduction due to variations in the quality or quantity of work performed. Exempt employees need not be paid for any workweek in which they perform no work. In order to remain exempt from overtime, salaried employees will receive full salary for any week in which they perform any work without regard to the number of days or hours worked, unless the deduction falls under one of the following:

- 1) Pay deductions based on legal withholding (such as payroll taxes, authorized insurances payments, legal garnishments, etc.).
- 2) Pay deductions may be made for an absence of one or more full days when an employee chooses not to work and receives authorization from his/her supervisor (unrelated to sickness or disability) following the employee’s exhaustion of applicable accrued paid leave. (For example, if an exempt employee is absent for 1½ days, a deduction will be allowed for one day).
- 3) Pay deductions may be made for an absence of one or more full days for sickness or disability in accordance with NTMWD’s written benefit policies regarding paid time off, and following exhaustion of applicable accrued leave.
- 4) During a workweek where some work is performed, no deductions will be made for exempt employees’ absences due to jury duty, attendance or testimony as a subpoenaed witness, or for temporary military leave. However, the NTMWD may offset the employee’s pay by the amounts received by the employee as jury fees, witness fees, or military pay for the applicable week’s salary, beyond that intended to reimburse the employee for travel and parking.
- 5) Pay deductions may be made as penalties for good-faith enforcement of written workplace safety rule violations of major significance.
- 6) Pay deductions may be made for unpaid disciplinary suspensions of one or more full days imposed in good faith for violations of written workplace conduct rules, but not for performance or attendance problems.
- 7) Pay deductions may be made during the employee’s first and last week of employment, for the balance of the week before the start date and after the last day of work.
- 8) Pursuant to the FMLA, pay deductions may be made for any proportion of unpaid leave taken pursuant to the FMLA, including intermittent or partial day leave.

4.8.1 Improper Deductions

- 1) Pay deductions of less than one week will not be made for absences made necessary by operating requirements of the business.
- 2) Deductions are not permitted for partial day absences (except unpaid FMLA leave).
- 3) Deductions are not permitted for variations in the quality or quantity of work.

4.8.2 Grievance Procedures

Improper deductions are not permitted. Any employee who suspects or believes that improper deductions have been made from the employee's salary should report the possible violation in writing to the HR Manager. NTMWD will promptly investigate the complaint/report of any improper deduction. NTMWD will not tolerate retaliation against the employee for making a complaint regarding improper pay deductions regardless of whether the complaint/report is determined to have merit. If it is determined that improper deductions have been made from one or more employee's pay, NTMWD will promptly reimburse the employee(s) for such deductions. Additionally, NTMWD will endeavor to assure that no similar improper deductions are made in the future. Questions regarding payroll and deductions should be directed to the Accounting Department.

4.989 Business Travel and Expense Reimbursement

The NTMWD will reimburse employees for authorized reasonable and necessary expenses incurred by employees in the course of NTMWD business in compliance with IRS regulations. For budgeted travel, employees must be traveling at the direction of or with the approval of their supervisor. Unbudgeted travel will require the approval of the ~~Executive Director/General Manager~~ED/GM or ~~his~~their designated representative. The NTMWD will not reimburse expenses that have not been pre-approved.

Travel should be planned in advance to achieve maximum economy and efficiency. For ground transportation, employees should share rides whenever possible, and use care to choose the most economical means of transportation. For air travel, the NTMWD will reimburse only for economy air fares, fees to change seats on flight when deemed necessary, and one checked bag. Any accrued air miles will belong to the employee.

The NTMWD will not reimburse employees for personal expenses incurred while traveling, such as laundry, snacks, entertainment, in-room movies, hotel phone charges, spa services, or other expenses that are non-essential to the purpose of the trip. The NTMWD will not reimburse employees for alcohol purchases, separately ticketed social or recreational conference events, or family expenses. Internet connection fees will be reimbursed only if preapproved.

Meals will be reimbursed for out-of-town, overnight travel while the employee is traveling on District business. Unless special circumstances apply, in all cases the travel must be outside the metropolitan area. Employees are encouraged to request the use of Per Diems for business

related meals when traveling out of the metropolitan area. Itemized receipts are required for reimbursement of expenses that are not reimbursed on a Per Diem basis, except when receipts are not available, such as parking meters. The NTMWD credit card may not be used for expenses that are reimbursed on a Per Diem basis. Reasonable tips (15-20 percent) are included in the Per Diem rate; for non-Per Diem business meals, tips over 20 percent will not be reimbursed. Per Diem rates shall be established based on the U.S. General Services Administration Per Diem rates. When submitting the Per Diem request, meals included in the conference fee must be deducted.

Employees using personal vehicles for travel will be reimbursed for miles at the current IRS rate. For trips of longer than 300 miles each way, an employee who chooses to drive will be reimbursed the lesser of the cost of economy airfare or the actual mileage, and will not be reimbursed for meals and lodging incurred as a result of the lengthened trip. Department Managers have discretion to require use of NTMWD vehicles or personal vehicles for travel.

4.10910 Cell Phone Issuance or Stipend

Management will determine which positions require use of a cell phone for work-related communications during and after working hours. Generally, employees performing field services and critical job duties subject to after-hours calls will be required to carry a cell phone. Such employees will ~~either~~ be eligible for a monthly cell phone stipend in an amount to be approved and publicized regularly. Employees receiving a stipend are responsible for insuring that the phone is in working order and that work-related emails and texts are retained pursuant to the NTMWD's Records Management Program. Employees who decline the stipend are still responsible for retaining and transferring work-related emails, texts, photographs, and other NTMWD-related content, pursuant to the NTMWD's Policy on record retention and records requests, and its Records Management Program.

4.111 De Minimis Benefits

At the sole discretion of the ~~GM/ED~~ED/GM, the District may provide *de minimus* (low cost) benefits for employees from time to time, including for the purposes of promoting team building and employee morale, recognizing employees' extraordinary work performance or other contributions to the District, or celebrating major life events.

Examples of *de minimus* benefits may include, but are not limited to: providing meals and other snacks, hosting celebrations for employees' major life events such as retirement and work anniversaries, sending flowers or making small in memoriam donations, and other gestures of a similar monetary amount.

This policy does not create an entitlement to any *de minimis* benefit outlined above. The District policy and directives will follow guidance from the Internal Revenue Service rules regarding *de minimus* benefits.

SECTION V. TIME-OFF BENEFITS

5.1 Use of Accrued Paid Leave Required before Unpaid Leave

Employees must use any available and appropriate paid time off before going into unpaid leave status, with the exception of some FMLA rulings unpaid military leave, where use of vacation accruals is at the employee's discretion.

5.2 Sick Leave

All regular full-time employees shall earn ~~129~~nine 8-hour working days of sick leave with pay each year, subject to the following:

- (1) Sick leave shall be accumulated at the rate of ~~one six (16) hours~~day for each full month of completed service, beginning with the first month of employment. An employee who is hired prior to the 16th day of any month shall earn six~~one (16) day~~hours of sick leave for that month. Those hired after the 16th shall not earn a day for that month.
- (2) Sick leave may, with the supervisor's approval, be used in hourly increments as ~~required~~needed.
- (3) Sick leave shall be accrued by employees from year to year, without any maximum limitations; however, employees who resign or who are terminated for any reason, other than retirement, shall not be paid for unused sick leave.
- (4) Upon retirement under NTMWD's eligibility requirements, employees shall be paid for unused sick leave up to a maximum of 1,000 hours using the following criteria. Employees shall be paid for all hours of unused sick leave up to 720 hours, plus 50% of all remaining unused sick leave hours up to 280 hours, for a maximum of 1,000 hours.
- (5) The use of accrued sick leave is a privilege afforded each employee and not a right. Sick leave shall be used only for the purpose of permitting employees to be relieved of duties during actual personal illness, disability or healthcare appointment, or for the care of an immediate family member's illness, disability, or healthcare appointment. For this purpose, a family member is defined as a spouse, child or parent (as those terms are defined in this Manual's FMLA policy). Sick leave may be used for medical, dental, or optical examinations or treatment which cannot be scheduled during non-working hours; however, such non-emergency treatment must be scheduled with the supervisor's approval, and notice given of the need for leave as soon as the employee is aware of it. An employee may be required to furnish a physician's statement attesting to the illness or office visit for the period of time when sick leave has been utilized.
- (6) Temporary, part-time, and seasonal employees shall not accrue sick leave benefits.
- (7) No employee shall be given or is entitled to take paid sick leave in excess of the actual amount accumulated, except as otherwise provided by the Sick Leave Pool or Occupational Injury Leave policies ~~(except in circumstances where leave under the FMLA applies or in the case of Occupational Injury, as described below).~~

(8) An employee who is going to be absent from work due to an illness or injury must notify the immediate supervisor as soon as the employee knows of the need for the absence. If the employee is unable to contact the supervisor prior to the employee's scheduled report time, he or she should continue to call in until a departmental supervisor is reached. For scheduled appointments and treatments, employees must receive prior supervisor approval when possible, except as otherwise required by the FMLA, or, in the case of FMLA, and provide supervisor notification as soon as the employee becomes aware of the need for the appointment-is scheduled. Employees must call in daily unless the supervisor waives the requirement based on verified extended medical leave, or as otherwise allowed by the FMLA. Whenever physically possible, employees are expected to report to work, and may be assigned light duty when appropriate and allowed by law.

9) The ED/GM has authority and discretion to grant new hires, as a recruiting incentive in compelling circumstances, additional sick leave time available for use in the first year of employment. The ED/GM also has authority and discretion to make "equity adjustments" for certain current employees in similar positions as such new hires, to allow for equal benefits.

5.3 Sick Leave Pool

1) NTMWD allows employees to donate accrued Sick Leave to a pool for use by regular, full-time employees who have completed 12 continuous months of service with NTMWD, who require a continuous (non-intermittent) period of time off for their own or immediate family member's "Catastrophic Illness or Injury," and who have exhausted all paid leave accruals.

2) A "Catastrophic Injury or Illness" shall mean a severe condition or combination of conditions affecting the mental or physical health of the employee or the employee's immediate family (spouse, parent or child, as defined by the FMLA) that requires the services of a licensed healthcare provider, and requires ~~for~~ a period of more than 30 days away from work. The 30 days may be cumulative including ongoing treatment for a qualifying catastrophic illness or injury.

3) An employee wishing to receive Sick Leave from the Sick Leave Pool must submit a written request to the Assistant Deputy – HR ~~and Administration~~, who shall act as the Sick Leave Pool Administrator, and shall select and chair the Sick Leave Pool Committee.

4) The Sick Leave Pool Administrator or designee must keep documentation of:

HOURS DONATED TO THE POOL:	Date of donation
	Name of donor
	Department of donor
	Number of hours donated

HOURS GRANTED FROM THE POOL:	Name of employee
	Date of request
	Number of hours requested

Number of hours granted
Illness requiring leave

5) An employee of NTMWD who is entitled to accrue Sick Leave, has completed 12 months of continuous service with NTMWD, and is eligible to use and to be compensated for personally accrued Sick Leave may apply to use leave from the pool. An employee who is separated from employment with NTMWD and then returns to NTMWD employment must complete another 12 months of continuous service to be eligible to use the pool.

6) Employees seeking to utilize time from the pool must exhaust all accrued paid time off before they are eligible to withdraw leave from the pool.

7) Contributions to the pool are strictly voluntary.

~~7~~8) Employees may contribute up to 48 hours, but no more than 50% of their sick leave balance, per year. Leave must be earned and recorded on the books at the time of the contribution. All donations to the pool must be in whole hours only. Contributions shall be made through the Sick Leave Pool Administrator. Employees who contribute to the pool cannot recover that leave unless they are eligible to use the pool due to a Catastrophic Illness or Injury.

~~8~~9) Employees retiring from NTMWD may donate up to 200 hours of their sick leave balance, prior to their departure from NTMWD service. Retiring employees who wish to donate additional accrued sick leave beyond 200 hours may do so, but such hours will be deducted from the employee's maximum sick leave cash-out available at retirement. Employees leaving for reasons other than retirement may not contribute to the Sick Leave Pool at the time of separation from employment or after notice of separation.

~~9~~10) Employees who make contributions to the pool may not restrict their contributions for use by a specific person.

~~10~~11) The Sick Leave Pool Committee will determine the amount of Sick Leave Pool leave granted for each Catastrophic Illness or Injury. The amount of the pool leave granted for each Catastrophic Illness or Injury may not exceed one-third of the balance available in the pool or 90 days, whichever is less. The maximum leave granted for each Catastrophic Illness or Injury in any fiscal year is 90 days.

~~11~~12) Any unused balance of pool leave granted to an employee will return to the pool. The estate of a deceased employee is not entitled to payment for unused pool leave.

~~12~~13) Leave from the pool is not intended to be used by an employee who wishes to take additional leave to care for a newborn or adopted child beyond the medical issues surrounding pregnancy and childbirth, unless other circumstances exist, such as a serious medical condition affecting the mother or child that amounts to a Catastrophic Injury or Illness.

~~13)~~14) The employee requesting time from the sick leave pool must submit a medical certification to the Sick Leave Pool Administrator or designee, from the employee's physician, ~~utilizing the criteria set forth in the Family and Medical Leave Act for a serious health condition~~ verifying that the condition meets the requirements of a Catastrophic Illness or Injury under this policy. The Sick Leave Pool Administrator or designee will provide a medical certification form to the requesting employee.

5.4 Occupational Injury Leave

Employees sustaining injuries arising out of the course of employment with NTMWD shall be granted injury leave subject to the following:

(1) Employees must immediately report any injury sustained in the course of employment to their immediate supervisor, regardless of how minor such injury may seem to the employee. Employees who fail to do so will not be eligible for injury leave with pay.

(2) An employee whose injury necessitates an absence from work will be granted an injury leave, with supplemental pay, for a period not to exceed seven calendar days, only when the ED/GM or his/her designated representative is satisfied that the employee was actually injured on the job (on NTMWD premises or in furtherance of NTMWD business) and is in the care of a physician. An employee whose injury necessitates an absence of more than seven ~~(7)~~ days may be granted supplemental pay, which is the difference between the full salary and any weekly benefits provided through the ~~Texas Employers Liability Law~~ (workers' compensation), up to a maximum of ~~12~~3 weeks total. Such supplemental pay is not an ~~earned~~ accrued benefit and may be granted at the discretion of the ED/GM or his/her designated representative if, in his/her judgment, the employee was actually injured on the job, is unable to work, and is in the care of a physician. Such payments are not required by law and may be terminated at any time if it is determined that an employee is abusing this policy.

(3) Eligible employees under the Family and Medical Leave Act (FMLA) will be placed on FMLA leave concurrent with ~~the first 12 weeks of~~ occupational injury leave.

(4) Any on-the-job injury that necessitates an absence from work in excess of ~~12~~3 weeks will be without supplemental pay when all accrued sick leave is expended. Sick leave will be used to supplement workers' compensation benefits. ~~The employee's sick leave account will be charged based on time absent from work, not on the dollar amount paid; for each day of absence, employee will use one full day of sick leave, but will receive only the amount of pay necessary to supplement workers' compensation.~~

(5) During the period of occupational leave under this policy, NTMWD will continue to pay the employer portion of the health and dental insurance premiums as long as the employee continues to pay the employee portion of the premiums. Any employee-paid premiums will be deducted from the employee's supplemental or sick leave payments, if sufficient, or must be paid to NTMWD directly.

5.5 Vacations

All regular full-time employees shall earn paid vacation, ~~with pay,~~ in accordance with the following:

- (1) Vacation shall be earned at a rate based on continuous years of service with NTMWD, in accordance with the schedule below.

<u>Years of Service</u>	<u>Days Earned per</u>	<u>Hours Earned per</u>
	<u>Year</u>	<u>Month</u>
Year 1	10	6.67
Year 2	11	7.33
Year 3	12	8.00
Year 4	13	8.67
Year 5	14	9.33
Year 6	15	10.00
Year 7	15	10.00
Year 8	16	10.67
Year 9	16	10.67
Year 10	17	11.33
Year 11	17	11.33
Year 12	18	12.00
Year 13	18	12.00
Year 14	19	12.67
Year 15	19	12.67
Year 16 and Over	20	13.33

<u>Years of Service</u>	<u>Days Earned per Year</u>	<u>Hours Earned per Month</u>	<u>Maximum Rollover Hours (2.5 times)</u>
<u>Year 1</u>	<u>15</u>	<u>10.00</u>	<u>300</u>
<u>Year 2</u>	<u>16</u>	<u>10.67</u>	<u>320</u>
<u>Year 3</u>	<u>17</u>	<u>11.33</u>	<u>340</u>
<u>Year 4</u>	<u>18</u>	<u>12.00</u>	<u>360</u>
<u>Year 5</u>	<u>19</u>	<u>12.67</u>	<u>380</u>
<u>Year 6</u>	<u>20</u>	<u>13.33</u>	<u>400</u>
<u>Year 7</u>	<u>20</u>	<u>13.33</u>	<u>400</u>
<u>Year 8</u>	<u>21</u>	<u>14.00</u>	<u>420</u>
<u>Year 9</u>	<u>21</u>	<u>14.00</u>	<u>420</u>
<u>Year 10</u>	<u>22</u>	<u>14.67</u>	<u>440</u>
<u>Year 11</u>	<u>22</u>	<u>14.67</u>	<u>440</u>
<u>Year 12</u>	<u>23</u>	<u>15.33</u>	<u>460</u>
<u>Year 13</u>	<u>23</u>	<u>15.33</u>	<u>460</u>
<u>Year 14</u>	<u>24</u>	<u>16.00</u>	<u>480</u>

<u>Year 15</u>	<u>24</u>	<u>16.00</u>	<u>480</u>
<u>Year 16 and Over</u>	<u>25</u>	<u>16.67</u>	<u>500</u>

(2) Vacation shall begin to accrue upon hire and will be available for use the first day of the month following 30 days of ~~hire~~employment.

(3) Upon separation from ~~Any employee who terminates their~~ employment with NTMWD, ~~in good standing following one year of continuous service~~an employee shall be paid for accumulated vacation leave earned but unused, not to exceed two times their annual allowance, ~~provided proper two weeks' notice is given in the case of a resignation.~~

(4) An employee retiring from NTMWD in accordance with NTMWD's Retirement Plan shall be paid for accumulated but unused vacation leave, in accordance with carry-over limits and not to exceed ~~three~~ two and one-half (2-1/2) ~~(3)~~ times their annual allowance.

(5) Employees shall be expected to take their full vacation in the year in which it becomes available. Under no circumstances shall an employee be allowed to carry forward available vacation leave in excess of two and one-half (2-1/2) times their annual allowance to a succeeding year. For purposes of this paragraph, "year" is defined to begin at the date of first date of employment and end on the date of the last date of the month in which the employee was hired. Any time in excess of the maximum will be forfeited. Beginning October 1, 2023, employees will stop accruing additional vacation leave when they reach two and one-half times their annual allowance. Employees will have through September 30, 2023 to use any accrued vacation hours in excess of the maximum 2 1/2 times.

(6) Part-time, temporary and seasonal employees shall not earn vacation leave.

(7) All employees are encouraged to take vacations. All vacations must be scheduled and approved by the employee's supervisor, given due consideration to the needs of NTMWD and the ability of the remaining staff to perform the work.

(8) The ED/GM has authority and discretion to grant new hires, as a recruiting incentive in compelling circumstances, additional vacation time available for use in the first year of employment, and/or different vacation accrual rates. The ED/GM also has the authority and discretion to make "equity adjustments" for certain current employees in similar positions as such new hires, to allow for equal benefits.

5.6 Vacation Sellback Program

NTMWD offers employees the opportunity to receive payment for a portion of their accumulated vacation leave at their current rate of pay. To be eligible, an employee must be currently in active status (not on paid or unpaid leave of absence for the full calendar month of the request), have been employed for a minimum of 12 consecutive months, and must have at least 120 hours currently accrued.; Further, eligible employees ~~and~~ must have taken at least one consecutive week

of vacation in the last 12 months; a “week” for this purpose may be less than five days when in conjunction with a Holiday, or, for shift workers, if they take off the equivalent of their normally scheduled work for that week. Once per quarter, employees will have the option to convert 40 hours of vacation leave to pay; however, an employee may convert only 40 hours once per fiscal year. Vacation sellback hours do not count as time worked, and therefore, they are not used in the calculation of overtime or pensionable earnings.

5.7 Holidays

(1) The following designated holidays shall be observed as official holidays:

New Year's Day	January 1 st
Good Friday	Friday before Easter Sunday
Memorial Day	Last Monday in May
Independence Day	July 4 th
Labor Day	First Monday in September
Thanksgiving Days	Fourth Thursday/Following Friday in November
Christmas Days	December 25 th / Day before or Day after Christmas as determined by the ED/GM

(2) When one of the above-named holidays falls on a Saturday, the holiday shall be observed on the preceding Friday; ~~if~~ if it falls on a Sunday, it shall be observed on the following Monday.

(3) As many employees as possible shall be given each holiday off; however, employees, who, because of the nature of their work, cannot be off on a regular holiday, will be provided equivalent compensatory time off for holidays on another day. Employees who cannot be given compensatory time off will receive, in addition to their regular pay for the holiday, pay for the actual time worked at their regular rate of pay.

(4) Any employee who is absent for unplanned or unauthorized time off on the work day immediately preceding or following a holiday, or who is off for authorized unpaid leave for an entire calendar week of the holiday, -shall not be paid for the holiday. Unplanned sick leave may require a doctor's note prior to authorization.

(5) Part-time, ~~Temporary~~ and seasonal employees shall not be eligible for holiday pay.

5.8 Personal Days

~~With advance notice and approval from the employee's supervisor, employees are granted two (2) personal days (16 hours total) in one-day increments, for the employee to use for any purpose. Accrued but unused personal days have no cash value at termination, and may not be carried over to the next calendar year. Employees hired on or after July 1st of each year will be granted (1) personal day (8 hours) for use during the calendar year of hire.~~ For Personal Days previously granted but unused must be used by December 31, 2022, or will be forfeited. No new Personal Days will accrue beginning October 1, 2022, as this benefit has now been added to employees' Vacation Leave allotment.

5.9 Bereavement/Emergency Leave

All regular full-time employees may be granted bereavement/emergency leave with pay, when approved by the ED/GM, or his/her designated representative, up to a maximum of three (3) working days (up to a maximum of 24 hours pay) in the case of death or life-threatening illness in the employee's immediate family, which shall be defined for purposes of this policy as: spouse, parent, child, sibling, grandparent, grandchildren or other members of kinship who may be residing with an employee at the time of death, or the "step" or "in-law" versions of each. Death of relatives other than those mentioned above shall be considered for bereavement/emergency leave based on the special circumstances of the relationship. ~~individually and time allowed off, or not, as warranted.~~

- (1) Bereavement/emergency leave shall be available upon employment, and may be used per occurrence as described above.
- (2) Employees may be required to furnish satisfactory proof of their reason for bereavement/emergency leave.

5.10 Military Leave

NTMWD complies with all state and national laws relating to employees in reserve or active military service and does not discriminate against employees who serve in the military. NTMWD supports its employees and their service in state and national military units and provides them with a number of military leave benefits. However, temporary employees who have brief or non-recurrent positions with NTMWD and who have no reasonable expectation that their employment with the NTMWD will continue indefinitely or for a significant period of time are generally ineligible for reemployment rights under this policy.

This policy covers employees who serve in the uniformed services in a voluntary or involuntary basis. All requests, documentation, and determinations about military leave must be directed to the HR Department.

5.10.1 Notice to NTMWD of Need for Leave

Employees must provide as much advance written or verbal notice to NTMWD as possible for all military duty (unless giving notice is impossible, unreasonable, or precluded by military necessity). Absent unusual circumstances, such notice must be given to NTMWD no later than 24 hours after the employee receives the military orders.

5.10.2 Paid Leave for Military Training and Duty

- 1) Paid Leave for up to 15 days - Employees are entitled to up to 15 working days per fiscal year of paid military leave, for use when an employee is engaged in reserves training or duty ordered or approved by proper military authority. This leave may be used when

an employee is a member of the Texas military forces (Texas Army National Guard, Texas Air National Guard, and the Texas State Guard), a reserve component of the armed forces, or a member of a state or federally authorized urban search and rescue team. The paid leave days may be consecutive or scattered throughout the year.

2) Paid Leave for up to Seven days. Employees are entitled to seven working days per fiscal year of paid military leave when called to state active duty by the governor or another appropriate authority in response to a disaster (as defined in Tex. Gov't Code § 418.004).

~~4~~3) During any paid military leave of absence, the employee may not be subjected to loss of time, efficiency rating, personal time, sick leave, or vacation time.

~~2~~4) Other Paid Leave - Employees who have exhausted all available paid military leave may, at their option, use vacation leave to cover their absence from work.

5.10.3 Unpaid Leave

After an employee has exhausted all available paid military leave (and vacation leave time that the employee chooses to use to cover a military absence), the employee will be placed on military leave without pay for up to five years, or longer as required by law.

5.10.4 Group Health

While an employee is on military leave, NTMWD will continue to pay its portion of the monthly premium for group health benefits for no less than 30 days, provided the employee continues to make regular employee contributions. An employee may elect to continue group health coverage under COBRA for up to 24 months following separation of employment or until his/her reemployment rights expire, whichever event occurs first, for him/herself and eligible dependents. Upon an employee's return to employment following military service, NTMWD will provide health insurance coverage immediately, without a waiting period or pre-existing condition exclusions (except those incurred as a result of military service).

5.10.5 Other Benefits

While on paid military leave, employees continue to accrue vacation, sick leave and other benefits provided to other employees on paid leave. Benefits such as vacation and sick leave do not accrue while an employee is on unpaid military leave, but will be suspended until the employee's return to active employment. Once an employee returns to work following an unpaid leave, he/she will be treated as though he/she was continuously employed for purposes of determining benefits based on length of service.

5.10.6 Reemployment Rights

In most cases, employees who complete their military service within five years of the date of being placed on military leave, or as otherwise required by law, will be reemployed in their previous or equivalent position with NTMWD.

5.10.7 Deadline to Notify NTMWD of Intent to Return to Work

The deadline for an employee to return to work and/or notify NTMWD that he/she intends to return to work following military leave depends upon how long the employee's military service lasted:

- 1) For service of less than 31 days, employees have eight hours following their release from service to notify their supervisor of their availability to return to work.
- 2) For service between 31 days and 180 days, employees have 14 days following their release from service to apply for reemployment.
- 3) For service of more than 180 days, employees have 90 days following their release from service to apply for reemployment.

These deadlines may be extended for two years or more when an employee suffers service-related injuries which prevent him/her from applying for reemployment or when circumstances beyond the employee's control make reporting within the time limits impossible or unreasonable.

5.10.8 Required Documentation

To qualify to return to work, an employee returning from leave must provide documentation of the length and character of his/her military service. Also, evidence of discharge or release under honorable conditions must be submitted to NTMWD if the military leave lasted more than 31 calendar days.

5.10.9 Rights to Continued Employment

Employees who serve in the military for more than six months will not be ~~discharge~~terminated by NTMWD without cause for one year following the date of reemployment. Employees who serve for between one and six months will not be ~~discharge~~terminated without cause for six months following the date of their reemployment. Employees who serve for 30 days or less are given no protection under federal law from ~~discharge~~termination without cause.

5.10.10 Changed Circumstances

If NTMWD's circumstances have changed to such an extent that it would be impossible or unreasonable to reemploy an employee, NTMWD has no legal obligation to reemploy an employee following his/her return from military leave.

5.11 Jury Duty

Employees who are required by law to render jury service shall receive their regular pay during such service. Employees called for such services may be required to submit proof of same to their supervisor. Employees will not be required to submit to ~~the~~ NTMWD fees they receive for jury duty that are intended to reimburse the employee for travel, parking, and similar expenses.

5.12 Training Leave

The ED/GM, or ~~his~~-their designated representative, may grant approval for an employee to attend job-related professional conferences, short courses, and other training activities, with pay.

5.13 Family and Medical Leave (FMLA)

5.13.1 Definitions

(1) 12-Month Period means a rolling 12-month period measured backward from the date leave is taken.

(2) 12-Month Servicemember Period means a single 12-month period measured forward from the first day Servicemember Family Leave is taken.

(3) Covered Active Duty means 1) in the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country; and 2) in the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in support of a war or national emergency.

(4) Covered Family Member includes: a) legal spouse under the law of the jurisdiction where the marriage was entered into; b) biological parent or individual who stood in place of a parent when the employee was a child; or c) biological, step, adopted, or foster son or daughter for whom the employee has day-to-day responsibility for care, and who is under 18 years of age (or 18 or older if incapable of self-care because of a mental or physical disability). For purposes of a son or daughter on active duty or call to active duty, or for Servicemember Family Leave, the child may be of any age.

(5) Covered Servicemember means a member of the Armed Forces (including a member of the National Guard or Reserves) or a veteran who was a member of the Armed Forces in the previous five years, who is undergoing medical treatment for a serious injury or illness.

(6) Qualifying Exigency means a family member's need for leave arising from a covered military member's active duty status or call to active duty. Qualifying Exigency includes: 1) notification of a call to covered active duty seven or fewer days from date of deployment; 2) military events and related activities, including post-deployment activities (e.g. official ceremonies, support programs, counseling, etc. related to covered active duty); 3) attending to childcare and school activities; 4) attending to financial and legal matters; 5) to spend up to 15 days with a military member

who is on short-term, temporary rest and recuperation leave; 6) caring for a military member's parent who is incapable of self-care, when such care is necessitated by the military members' covered active duty and, 7) any additional activities related to the call to covered active duty otherwise agreed to by the employer and employee.

(7) Serious Health Condition means a medical condition that involves a) inpatient care; b) incapacity requiring absence from work for more than three days along with continuing treatment by a health care provider; c) continuing treatment for a chronic or long-term health condition; or d) prenatal care.

5.13.2 General Protected Leave Provision

NTMWD will grant up to 12 weeks of job-protected unpaid leave per 12-Month Period to eligible employees for the following reason(s):

- (1) Care of a child after birth, adoption, or placement within the 12-month period following the birth or placement
- (2) Care of a Covered Family Member with a Serious Health Condition
- (3) In the event of an employee's own Serious Health Condition
- (4) To attend to a Qualifying Exigency.

5.13.3 Servicemember Family Leave

In addition, NTMWD will grant an additional 14 weeks (up to a total of 26 weeks) of unpaid leave to eligible employees who are the spouse, child, parent, or next of kin of a Covered Servicemember to care for that Covered Servicemember with a serious injury or illness sustained while on active duty in the military. No more than 26 weeks of leave may be taken in a single 12-Month Servicemember Period, and no additional extended leaves may be taken in other years for the same injury or illness.

5.13.4 Eligibility

To be eligible for FMLA, an employee must have completed at least a total of one year of service and have worked a minimum of 1,250 hours with NTMWD during the previous 12-month period. [Per DOL requirements, special "hours of service" requirements apply to airline flight crew employees.](#)

5.13.5 Intermittent or Reduced Leave

An employee may take leave intermittently (a few days or hours at a time) or on a reduced leave schedule.

5.13.6 Notification and Certification Requirements

An eligible employee who requests a leave for the reasons provided under this policy will be granted unpaid leave under the following conditions. All medical and military certifications requested by NTMWD must be submitted within 15 calendar days of such request or rights under the FMLA may be denied.

(1) If planned in advance, at least 30 days' notice prior to the anticipated leave date must be given. If the leave is unexpected, notice as soon as the need for leave is known must be given. The notice must provide a reason for the leave that qualifies it under FMLA.

(2) Employees requesting a leave under FMLA for the employee's own serious health condition or to provide care for a family member will be required to provide medical certification from the treating physician providing the complete information requested on the Department of Labor's appropriate form. Periodic statements from the treating physician may also be required.

(3) Prior to returning from a personal medical leave, employees will be required to present certification from their attending physician(s) indicating they are capable of returning to work and performing all of the essential functions of their job.

(4) An employee requesting leave related to a Covered Servicemember's active duty or call to active duty shall provide supporting documentation issued by the applicable Armed Forces.

(5) An employee requesting Servicemember Family Leave must provide official Armed Forces documentation of the injury, recovery or need for care, showing the injury or illness was incurred on active military duty and renders the member unfit to perform military duties.

5.13.7 Conditions and Benefits

(1) Employees will be required to use all accrued and appropriate paid leave (including vacation, sick leave, compensatory time, ~~maternity leave~~ and occupational injury leave) concurrently with FMLA leave, unless they have except while on short-term disability coverage or on worker's' compensation paid leave, then they are exempt. The employee may opt to use vacation while on FMLA. Employees receiving short-term disability payments or workers' compensation may supplement those payments with accrued leave up to the equivalent of their base wages.

(2) All NTMWD benefits which are accrued, such as vacation and sick leave, will cease to accrue during any unpaid leave, including unpaid portions of FMLA leave.

(3) NTMWD will continue to make its health insurance premium payments during FMLA leave, provided the employee continues to make ~~regular~~ their timely employee contributions. If the employee's contribution is more than 30 days late, NTMWD may terminate the employee's insurance coverage. Other benefits, such as pension and life insurance, will be governed by the terms of each plan and NTMWD policies.

5.13.8 Job Protection Rights

Qualified employees who return to work on or before the expiration of the FMLA leave will normally be reinstated to their former position, or an equivalent position. However, the employee's restoration rights are the same as they would have been had the employee not been on leave. If the employee's position would have been eliminated, or the employee would have been terminated but for the leave, the employee would not have the right to reinstatement.

It is unlawful for an employer to interfere with, restrain, or deny the exercise of FMLA rights, or to ~~discharge~~terminate or otherwise discriminate against anyone for opposing such unlawful practices or for participating in a proceeding relating to FMLA. An employee may file a complaint with the U.S. Department of Labor's Wage and Hour Division or may bring a private lawsuit against an employer for violating his/her rights under the FMLA.

All questions regarding FMLA should be directed to the HR Department.

5.14 **Limitations on Leaves of Absence**

With the exception of leaves of absence for military duty, no leave of absence or other period of inability or failure to perform full-duty work, by itself or in combination with other periods of leave, may last longer than 26 weeks or the remainder of the employee's accrued sick leave, whichever is more. Any employee who, for any reason or combination of reasons, exceeds this limit in a 12-month period, will be separated from employment due to unavailability for work. An employee will be considered unavailable for work if the employee cannot perform the essential functions of the job, with or without reasonable accommodation.

NTMWD will reasonably accommodate disabled employees with additional, limited extension of leave, in compliance ~~comply~~ with the Americans with Disabilities Act (ADA), ~~under the following conditions:~~when (1) ~~when~~ additional, limited time off is necessary to accommodate an employee's disability for a definite, specified time period so that he or she may return to work, (2) the leave can be granted without undue hardship to the NTMWD, and (3) the employee is otherwise qualified for the position, with or without reasonable accommodation.

5.15 **Meals and Breaks**

Employees will be afforded sufficient time for breaks and meals, which will be scheduled by the supervisor to best accommodate the work requirements of the Department.

5.15.1 Non-Meal Breaks

Normally, breaks should not exceed 15 minutes in each four-hour work period. For breaks of less than 20 minutes, non-exempt employees shall not be required to clock out. For breaks of 20 or more minutes that do n^ot include a meal, employees must clock out. Employees returning

late from a break may be counted as tardy for disciplinary purposes, and will be required to adjust their time if the break is 20 minutes or more.

5.15.2 Meal Breaks

Non-exempt employees must clock out for lunch or dinner breaks, and such breaks must be at least 30 minutes and normally no longer than 60 minutes. If an employee is required by work requirements to return from a meal break in less than 30 minutes, or if the employee's meal is interrupted so that there is not at least a 30-minute period free, then the employee will be paid for the entire break.

5.15.3 Break Time for Nursing Women

NTMWD supports the practice of expressing breast milk, and reasonably accommodates its employees who have a need to do so during working hours. Employees who are nursing women are allowed reasonable break time, comfort and privacy to express ~~(pump)~~ milk. If regularly scheduled breaks and meal times are not sufficient, nursing women may take additional time to express milk. These additional breaks are not considered compensable working time and should be deducted from the total time worked for non-exempt employees. Employees may choose to use accrued paid leave for this purpose. Nursing women should notify their immediate supervisor [or HR](#) of their need for this accommodation so that arrangements can be made to provide a private, comfortable location to express milk.

SECTION VI. HEALTH AND RELATED BENEFITS

6.1 Insurance

(1) NTMWD provides insurance for employees as set out in the insurance policies, summaries of which shall be given to employees.

(2) All ~~f~~Full-time regular employees [with at least two years of uninterrupted service at](#) of NTMWD [and who currently participate in the health insurance program](#) are eligible for post-employment extension of group hospitalization for a period of one month for each two years of active service [at NTMWD](#), if they suffer a permanent disability not covered by workers' compensation which terminates employment with NTMWD. NTMWD will pay the [employer portion of the total premium and the employee will be responsible for the employee portion of the total premium](#) ~~;~~ for a period not to exceed ten months, after which time NTMWD will comply with COBRA [insurance continuation](#) laws. Employment for a period of two years and participation in the insurance program are required. No additional coverage may be added and all other health insurance covering the individual or family must be maintained by the employee. Should the former employee return to work with NTMWD, NTMWD will be reimbursed for the employee's portion of the cost. An employee of NTMWD who sustains an injury that is covered by Worker's Compensation Insurance will be eligible only for such benefits and supplemental pay benefits under NTMWD's Occupational Injury Policy, and is not eligible for the payment of premiums under this Section. Likewise, a person injured while employed by another individual or company

is not eligible for premium payments under this section. If any person resumes employment with NTMWD or accept ~~-of~~ any other employment during the benefit period, the premium payment shall be terminated.

(3) Upon full utilization of the extended benefits set out above, NTMWD will continue to pay the premiums for a terminally ill employee for a period not to exceed 30 months, or until the maximum benefits have been received by the employee as paid by the insurance coverage, whichever occurs first.

6.2 Retirement and Recognition

Retirement benefits are provided through a special Plan for employees of NTMWD. The rules and regulations applicable to the retirement benefit program are set forth in the Plan. Summaries of this Plan shall be given to employees as required by law.

6.2.1 Retirement Recognition Program:

- 1) Employees who retire with less than ten years of service shall be presented with a certificate of achievement and will be noted in the NTMWD Employee newsletter.
- 2) Employees who retire with ten or more years of service, but less than 20 will receive a plaque of appreciation, normally presented during a departmental recognition ceremony, and will be noted in the NTMWD Employee newsletter.
- 3) Employees who retire with 20 or more years of service shall receive the plaque and newsletter notation, as well as an engraved NTMWD logo watch. Executive level employees will also be presented with an official resolution during a regularly scheduled Board meeting.

6.3 Employee ~~of the Year~~ Recognition Programs—~~Carl W. Riehn Award~~

In order to recognize outstanding job performance and to ~~commemorate~~commemorate and memorialize Carl W. Riehn's dedicated service to the NTMWD for 28 years prior to his retirement and untimely death in 1998, once a year, one below Grade 40 employee is recognized as the NTMWD Employee of the Year with the Carl W. Riehn Award. ~~To recognize outstanding job performance and to commemorate and memorialize Carl W. Riehn's dedicated service to the NTMWD for 28 years prior to his retirement and untimely death in 1998, NTMWD offers the Carl W. Riehn Award for Employee of the Year. All regular full-time NTMWD employees below Grade 40 are eligible for this award.~~ NTMWD also recognizes outstanding teamwork and job performance in service to achieve the NTMWD mission with the NTMWD Team of the Year. Further, all regular full-time NTMWD employees are eligible for this award. Employees are recognized periodically for achieving certain years of service milestones.

~~6.3.1 Selection Criteria:~~

~~—Employees nominated for this award should include those who:~~

- ~~1) Consistently meet and often exceed their job requirements;~~
- ~~2) Make outstanding contributions to building teamwork, communication and enhanced employee morale;~~
- ~~3) Offer realistic innovative ideas or suggestions that improve productivity or service performance;~~
- ~~4) Strive to better themselves through education and personal advancement of work-related skills;~~
- ~~5) Show diligent attention to safety standards and procedures;~~
- ~~6) Achieve exemplary attendance record; and,~~
- ~~7) Continually exhibit qualities that enhance the image and tradition of the NTMWD.~~

~~6.3.2 Procedure for Recognition:~~

- ~~1) Employees may nominate other employees and submit sealed written nominations through their supervisor to the Nominating Committee.~~
- ~~2) Nominations received will be initially reviewed by a Nominating Committee consisting of three members: Deputy Director—Administrative Services, Deputy Director—Engineering & CIP and the Human Resources Manager. The Nomination Committee will be responsible to select the nominee best meeting the selection criteria. A nominee should be selected from each of the designated systems if such a candidate exists.~~
- ~~3) From nominations received, up to one nominee each will be selected by the Nominating Committee from each of the following designated systems:~~

SYSTEM	DEPARTMENT
Water	Plant Operations, Facilities Services, Technical Services
Wastewater	Wastewater Treatment Plants, Interceptors
Solid Waste	Transfer Stations, Landfill, Fleet Maintenance Shop
Support Services	All Other Departments

- ~~4) The Nominating Committee will then submit up to four nominees each year to the Employee Recognition Committee composed of five employees appointed by the HR Manager.~~
- ~~5) Nominations will be accepted from October 1 to October 31 each year for the preceding 12 months.~~
- ~~6) The Employee Recognition Committee will review nominations and submit a recommendation of the employee to receive the Employee of the Year Award to the ED/GM for final approval.~~
- ~~7) The Employee of the Year will receive a \$1,000 cash award, a certificate of achievement on an engraved plaque, recognition of award on a perpetual engraved~~

~~plaque to be located in the NTMWD Administration Building, and recognition of achievement in the NTMWD newsletter.~~

~~8) The remaining nominees will receive a \$300 cash award, a certificate of achievement on an engraved plaque, and recognition of nomination on a perpetual engraved plaque to be located in the NTMWD Administration Building. Recognition of the nominee achievement will also be included in the NTMWD newsletter.~~

~~9) The ED/GM will make award and recognition at a selected time prior to December 31 each year.~~

~~Funding for this program is to be made available from the operating budget.~~

~~WE NEED TO ADD A POLICY ABOUT THE TEAM OF THE YEAR AWARD.~~

~~In order to recognize outstanding teamwork and job performance in service to achieve the NTMWD mission, once a year, one team is recognized as the NTMWD Team of the Year. All regular full-time NTMWD employees are eligible for this award.~~

ADOPTION BY BOARD OF DIRECTORS

The Personnel Policies in this Manual have been passed and approved, as amended to be effective October 1, 2022, by the Board of Directors of the North Texas Municipal Water District, in a Regular Meeting of the Board, on this ~~23rd~~ day of ~~September~~ 202~~1~~2, and attested to by the signature of the President and Secretary, as indicated below.

~~RICHARD PEASLEY~~GEORGE CRUMP, Secretary
~~PHIL DYER~~JACK MAY, President

(SEAL)

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5859

2022-23 BUDGET RESOLUTION RESOLUTION NO. 22-42

ACTION (*What*)

Authorize the appropriation of funds for the Amended 2021-22 Budget of \$599,615,905 and the 2022-23 Budget of \$670,976,265.

PURPOSE (*Why*)

The annual budget provides funding authorization for all Operations, Administration and Debt Service requirements for NTMWD.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors adopt Resolution No. 22-42, *"A Resolution Approving Appropriations for the 2022-23 All Systems Annual Budget, Amending the 2021-22 Annual Budget and providing Rates and Charges for System Services of the North Texas Municipal Water District."*

Strategic Objective: 2.3 Rigorous Financial Management

DRIVER(S) FOR THIS PROJECT

- | | |
|--|--|
| <input type="checkbox"/> Regulatory Compliance | <input type="checkbox"/> Asset Condition |
| <input type="checkbox"/> Capacity | <input type="checkbox"/> Redundancy/Resiliency |
| <input type="checkbox"/> Relocation or External Requests | <input type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety | <input checked="" type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy | <input type="checkbox"/> Other _____ |

BACKGROUND

- The Annual All Systems Budget, rates, and charges information was reviewed with the Finance Committee on June 8, 2022. On July 21, 2022, the budget was reviewed in a Budget Work Session. The budget was presented to the full Board at the August 25, 2022, Board Meeting. An update on the budget was provided to the Finance Committee on September 8, 2022.
- Attached is a copy of the proposed Budget Resolution No. 22-42, which is required by State Law and the District's service contracts to appropriate funds for operations, maintenance and debt service, and to establish rates and charges for the District's operations.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 22-42

A RESOLUTION APPROVING APPROPRIATIONS FOR THE 2022-23 ALL SYSTEMS ANNUAL BUDGET, AMENDING THE 2021-22 ANNUAL BUDGET AND PROVIDING RATES AND CHARGES FOR SYSTEM SERVICES OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT

WHEREAS, State Law and contracts between the North Texas Municipal Water District and the municipalities served require the adoption of an Annual Budget appropriating funds for the operation, maintenance and debt service requirements for each of the District Systems; and

WHEREAS, it is necessary to establish rates and charges to meet the financial requirements for each of the District Systems in accordance with contractual agreements; and

WHEREAS, the Executive Director/General Manager has prepared the Annual Budget and has determined that the charges for services as proposed will meet the overall financial requirements for each of the District Systems.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT THAT THE 2022-23 ALL SYSTEMS ANNUAL BUDGET BE APPROVED AS SUBMITTED BY THE EXECUTIVE DIRECTOR FOR THE FISCAL YEAR OCTOBER 1, 2022 THROUGH SEPTEMBER 30, 2023. FURTHER, THE RATES AND CHARGES FOR SERVICES ARE HEREBY APPROVED IN ACCORDANCE WITH THE FOLLOWING APPROPRIATIONS, CHARGES AND SPECIAL DETAILS.

SECTION A - APPROPRIATIONS

1. The major budgetary control shall be the expenditure summary sheet of each Function in the 2022-23 Annual All Systems Budget document and the Executive Director shall have the authority to transfer funds between accounts but shall require the express approval of the Board of Directors by budget amendment to exceed funding for any Fund. Following are system control details:

	2021-22 Amended Budget	2022-23 Proposed Budget
<u>By System:</u>		
Regional Water System	\$ 378,649,720	\$ 423,788,850
Regional Wastewater System	88,031,610	97,359,870
Upper East Fork Interceptor System	43,674,195	49,503,070
Small Systems	49,572,680	56,850,540
Regional Solid Waste System	39,687,700	43,473,935
Total	<u>\$ 599,615,905</u>	<u>\$ 670,976,265</u>

	2021-22 Amended Budget	2022-23 Proposed Budget
<u>By Character:</u>		
Personnel	\$ 96,575,765	\$ 112,964,485
Supplies	98,725,645	113,691,540
Services	88,253,725	101,244,545
Capital Outlay	14,163,315	14,223,670
Escrow	5,414,350	5,128,025
Capital Improvement	15,297,900	21,185,500
Debt Service	281,185,205	302,538,500
Total	<u>\$ 599,615,905</u>	<u>\$ 670,976,265</u>

2. The Amended Budget, as set forth in the 2022-23 All Systems Annual Budget Document, shall be approved as the authorized Amended Budget for the 2021-22 Fiscal Year and the Proposed Budget, as set forth in the 2022-23 All Systems Annual Budget Document, shall be approved as the authorized Budget for the 2022-23 Fiscal Year.

3. The Salary Plan as set forth in the 2022-23 All Systems Annual Budget Document shall be applicable to all District employees, including the Executive Director and the Deputy Directors, and salaries shall be paid during the 2022-23 Fiscal Year in biweekly payments (every two weeks).

4. All District employees who have progressed to the maximum pay for their salary grade shall be considered for a one-time merit lump sum payment, with an average of 7% of their current annual salary.

5. The salary for the Executive Director and the Deputy Directors shall be payable in increments of the regular payroll of the District for the Executive Director of \$_____, the Deputy Director (Solid Waste & Integrated Services) of \$_____, the Deputy Director (Engineering & CIP) of \$_____, the Deputy Director (Water & Wastewater) of \$_____, and for the Deputy Director (Administrative Services) of \$_____.

6. The District shall fund the Deferred Compensation accounts for the Executive Director and the Deputy Directors in increments of the regular payroll of the District for the Executive Director of \$_____, the Deputy Director (Solid Waste & Integrated Services) of \$_____, the Deputy Director (Engineering & CIP) of \$_____, the Deputy Director (Water & Wastewater) of \$_____, and for the Deputy Director (Administrative Services) of \$_____.

SECTION B - CHARGES FOR SERVICE

1. The following minimum annual demands and water rates shall be applicable during the 2022-23 Fiscal Year.

WHOLESALE TREATED WATER RATES

<u>Entity</u>	Minimum Annual Demand 1,000 gallons	Water Rate per 1,000 gallons	Minimum Annual Charge	Excess Water Rate per 1,000 gallons
Members:				
Allen	6,345,484	\$ 3.39	\$ 21,511,190.76	\$ 0.81
Farmersville	274,168	3.39	929,429.52	0.81
Forney	2,754,485	3.39	9,337,704.15	0.81
Frisco	14,146,008	3.39	47,954,967.12	0.81
Garland	13,136,918	3.39	44,534,152.02	0.81
McKinney	12,417,706	3.39	42,096,023.34	0.81
Mesquite	7,867,721	3.39	26,671,574.19	0.81
Plano	25,655,890	3.39	86,973,467.10	0.81
Princeton	1,137,352	3.39	3,855,623.28	0.81
Richardson	10,586,918	3.39	35,889,652.02	0.81
Rockwall	4,739,824	3.39	16,068,003.36	0.81
Royse City	846,122	3.39	2,868,353.58	0.81
Wylie	1,850,497	3.39	6,273,184.83	0.81
Total Members	101,759,093		\$ 344,963,325.27	
Customers:				
Ables Springs SUD	110,037	\$ 3.44	\$ 378,527.28	c
Bear Creek SUD	386,695	3.44	1,330,230.80	c
BHP WSC	170,892	3.44	587,868.48	c
Bonham	640,000	3.39 ^a	2,169,600.00	b
Caddo Basin SUD	493,610	3.44	1,698,018.40	0.86
Cash SUD	360,572	3.44	1,240,367.68	c
College Mound SUD	78,066	3.44	268,547.04	0.86
Copeville SUD	134,140	3.44	461,441.60	0.86
East Fork SUD	697,461	3.44	2,399,265.84	0.86
Fairview	964,308	3.44	3,317,219.52	c
Fate	279,932	3.44	962,966.08	0.86
Fate 2nd Dlvry Pt	645,054	3.44	2,218,985.76	0.86
Forney Lake WSC	632,848	3.44	2,176,997.12	c

WHOLESALE TREATED WATER RATES (continued)

Entity	Minimum Annual Demand 1,000 gallons	Water Rate per 1,000 gallons	Minimum Annual Charge	Excess Water Rate per 1,000 gallons
Gastonia Scurry SUD	110,490	\$ 3.44	\$ 380,085.60	c
GTUA	1,224,927	3.44	4,213,748.88	c
Josephine	211,535	3.44	727,680.40	c
Kaufman	459,989	3.44	1,582,362.16	c
Kaufman Four-One	555,695	3.44	1,911,590.80	0.86
Little Elm	1,804,752	3.44	6,208,346.88	b
Lucas	701,486	3.44	2,413,111.84	0.86
Melissa	350,960	3.44	1,207,302.40	0.86
Milligan WSC	149,894	3.44	515,635.36	b
Mt. Zion WSC	159,302	3.44	547,998.88	0.86
Murphy	1,661,494	3.44	5,715,539.36	0.86
Nevada SUD	76,886	3.44	264,487.84	0.86
Nevada SUD 2nd Dlvry Pt	70,985	3.44	244,188.40	b
North Collin SUD	355,962	3.44	1,224,509.28	c
Parker	633,119	3.44	2,177,929.36	0.86
Prosper	3,085,412	3.44	10,613,817.28	c
Rose Hill SUD	143,271	3.44	492,852.24	c
Rowlett	3,192,039	3.44	10,980,614.16	b
Sachse	1,332,153	3.44	4,582,606.32	0.86
Seis Lagos Utility District	165,598	3.44	569,657.12	0.86
Sunnyvale	783,784	3.44	2,696,216.96	b
Terrell	1,400,000	3.44	4,816,000.00	b
Wylie N.E. SUD	307,630	3.44	1,058,247.20	c
Wylie N.E. SUD 2nd Dlvry Pt	173,480	3.44	596,771.20	c
Total Customers	24,704,458		\$ 84,951,335.52	
Total	126,463,551		\$ 429,914,660.79	

a Pays Member Rate.

b Excess Water Rate Subject to Contract Minimums.

c Water consumed over Minimum Annual Demand shall be charged at a rate of \$3.44 / 1,000 gallons.

RETAIL TREATED WATER RATES - RESIDENTIAL

Minimum - First 2,000 Gallons	\$15.00
From 2,000 to 10,000 Gallons	\$6.88 per 1,000 Gallons
From 10,000 to 20,000 Gallons	\$8.76 per 1,000 Gallons
Above 20,000 Gallons	\$10.94 per 1,000 Gallons
Reconnect Fees	\$30.00

RETAIL TREATED WATER RATES - COMMERCIAL

From 0 to 10,000 Gallons	\$7.00 per 1,000 Gallons
Above 10,000 Gallons	\$8.76 per 1,000 Gallons
Reconnect Fees	\$30.00

NON-POTABLE WATER RATE

East Fork Raw Water Project	\$.74 per 1,000 Gallons
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2. The following charges, taken from the adopted Bois D'Arc Lake Shore Management Plan, shall be applicable during the 2022-23 Fiscal Year.

BOIS D'ARC LAKE FEES

SHORELINE LEASE AND USE AGREEMENT

Activity / Facility	Applicaton Fee	Annual Fee
Dock	Application First Year: \$750	\$325 for years 2 through 5 of a 5-year agreement
Vegetation Modification	\$500	N/A
Other (access paths, non-bioengineered structures for erosion control, land-based facilities, etc.)	\$500	N/A
Modification Fee	50-100% of the original application fee	N/A
Renewal Fee	50-100% of the original application fee	N/A
Appeal or Revocation Agreement	\$250	N/A
Appeal or Denial of Agreement Conditions	\$100	N/A
Standing timber removal below 534 MSL contour (not to exceed 0.5 acres)	\$250	N/A

SPECIAL EVENT / TEMPORARY USE AGREEMENT

25+ persons or vessels involved in an event	\$150	N/A
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NATURAL RESOURCE MANAGEMENT NOTIFICATION

Hazard tree removal	\$0	N/A
Planting/restoring native vegetation	\$0	N/A
Invasive/noxious weed removal/control	\$0	N/A

LEGAL NON-CONFORMING USE AUTHORIZATION

Non-conforming use	\$0	N/A
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MOBILITY ASSISTANT VEHICLE AGREEMENT

Allows for 6-foot-wide path and use of approved motorized vehicle	\$25	N/A
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BOIS D'ARC LAKE PENALTIES FOR VIOLATIONS

Violation	Category	Fine First Notice	Fine Second/Third Notice
Unauthorized Burning	Major	\$200	N/A
Storage or placement of fuel, oil, treated landscape timbers, pesticides, or other hazardous materials on docks or NTMWD-owned property	Major	N/A	\$200
Unauthorized use of pesticides/fertilizers on leased property	Major	\$200	N/A
Unauthorized placement or storage of personal property on NTMWD-owned property and/or water	Major	N/A	\$200
Unauthorized use of private overwater facility (e.g., human habitation on boat dock, storing nonauthorized vessels or watercraft at an approved boat dock, subletting boat dock)	Major	\$200	\$200
Unauthorized dock structure or dock modification	Major	\$200	\$200
Unauthorized vegetation modification (e.g., removing vegetation outside of an authorized area, changing landform, planting unauthorized plants)	Major	\$200	\$200
Deviation from approved dock construction plans (e.g., construction materials, anchoring methods, etc.)	Major	N/A	\$200
Unauthorized access path construction	Major	\$200	\$200
Emerging erosion issues (signs may include shoreline recession, increased water turbidity and discoloration in the surrounding area, bare soil, exposed plant roots and unstable banks)	Major	\$200	\$200
Unauthorized use of a mobility assistance vehicle	Major	N/A	\$200
Failure to delineate the NTMWD boundary line	Moderate	N/A	\$200
Failure to restore the leased area after completion of a permitted activity or after the lessee damages the area	Moderate	N/A	\$200/week
Failure of new adjacent landowner to apply for shoreline use agreement for existing uses within 30 days or to restore the use area within 60 days from the date of ownership transfer	Moderate	N/A	\$200/week
Failure to display agreement tags on authorized facilities	Minor	N/A	\$50/week
Failure to have a copy of the agreement with the mobility assistance vehicle during use on NTMWD-owned property	Minor	N/A	\$50
Failure to pay agreement fees	Minor	N/A	\$50/week
Failure to renew an agreement	Minor	N/A	\$50/week
Failure to complete construction within allowed time limit	Minor	N/A	\$50/week
Non-compliance with applicable laws, ordinances, and regulations	N/A	Depends on law/ regulation	Depends on law/ regulation

3. The following non-member city customer charges at District landfills and transfer stations shall be applicable during the 2022-23 Fiscal Year.

121 REGIONAL DISPOSAL FACILITY CHARGES

- I. All Vehicles - \$45.00 per Ton, One Ton Minimum
- II. Additional charge above the basic vehicle charge:
 - For loads containing roofing shingles - \$150.00
 - For tires based on wheel size:
 - \$5.00 per tire up to 24.5" diameter
 - \$20.00 per farm tractor or motor grader tire
 - No loader or scraper tires accepted
- III. The Executive Director may prepare a schedule of charges to be used when weights are not practical to obtain.
- IV. There shall be a charge to District operated wastewater plants for disposal of federal and state approved sludge materials equivalent to \$27.65 per actual ton.
- V. Pull-off Fee (non-refundable) - \$25.00 (plus sales tax, if applicable)
- VI. The Executive Director may prepare a schedule of charges, subject to approval of the Board of Directors, for special projects.

CUSTER ROAD, PARKWAY AND LOOKOUT DRIVE TRANSFER STATION CHARGES

- I. All Vehicles - \$60.00 per Ton (plus sales tax), One Ton Minimum
- II. Member City residents delivering construction and demolition debris waste (0.5 tons and less) - \$25.00 (plus sales tax)
- III. Additional charge above the basic vehicle charge for loads containing roofing shingles - \$150.00 (plus sales tax)
- IV. The Executive Director may prepare a schedule of charges to be used when weights are not practical to obtain.
- V. Pull-off Fee (non-refundable) - \$25.00 (plus sales tax, if applicable)
4. Charges shall be levied on the basis of monthly increments to provide the necessary funds to meet the appropriations for the Regional Wastewater System, Regional Solid Waste System, Upper East Fork Interceptor System and each of the Funds in the Small Systems in accordance with the appropriate contracts for service. Actual charges shall be determined after the end of the fiscal year and the appropriate debit or credit allowed.
5. Special debt service shall be allocated to the City of Sulphur Springs in the amount of \$600 in the Water System.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON SEPTEMBER 22, 2022, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD.

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5860

RESTATEMENT NO. 1 OF THE RETIREE HEALTH INSURANCE PROGRAM FOR EMPLOYEES OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 22-43

ACTION (*What*)

Authorize Restatement No. 1 to the Retiree Health Insurance Program outlining the benefits currently offered to retirees of NTMWD.

PURPOSE (*Why*)

The restatement of the Retiree Health Insurance Program for Employees of NTMWD is necessary to clarify that only NTMWD service will count toward service credit requirement for Retiree Health Insurance Program for NTMWD employees hired on or after October 1, 2022, and establish an effective date of October 1, 2022, for the restatement.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors:

- 1) The Executive Director and NTMWD staff recommend the Board of Directors authorize Restatement No. 1 of the Retiree Health Insurance Program for Employees of the North Texas Municipal Water District. This will clarify that Prior Service Credits with State, County, Municipal, other Utility Districts, and U.S. Military will not count toward the Retiree Health Insurance Program eligibility. This restatement will take effect October 1, 2022, and applies to employees hired on or after October 1, 2022.
- 2) Adopt Resolution No. 22-43, *"A Resolution Authorizing Restatement No. 1 of the Retiree Health Insurance Program for Employees of the North Texas Municipal Water District."*

Strategic Objective: 2.3 – Rigorous Financial Management.

This item was discussed in the May 11, 2022, Personnel Committee meeting and the September 07, 2022, Policy Committee meeting.

DRIVER(S) FOR THIS PROJECT

- | | |
|--|--|
| <input type="checkbox"/> Regulatory Compliance | <input type="checkbox"/> Asset Condition |
| <input type="checkbox"/> Capacity | <input type="checkbox"/> Redundancy/Resiliency |
| <input type="checkbox"/> Relocation or External Requests | <input type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety | <input checked="" type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy | <input type="checkbox"/> Other _____ |

BACKGROUND

In August 2000, the Board of Directors authorized Retiree Health Insurance Program to provide post-retirement medical and dental insurance coverage for retirees and their spouses. The program currently operates under the following policies:

- The retiree and spouse must be enrolled in the NTMWD's health insurance program at the time of the employee's retirement to be eligible for the Program.
 - The retiree and spouse must not be eligible for other employer-provided healthcare coverage while enrolled in the program.
 - The program provides five (5%) percent of the total premium cost for retiree and/or spousal retiree insurance for each year of service by the retiree.
 - Eligibility for the program ends when the retiree and/or spouse attain age 65.
 - On September 28, 2017, in Resolution No. 17-35 the Retirement Plan for Employees of North Texas Municipal Water District was amended to allow Prior Service Credits with State, County, Municipal, other Utility Districts, and U.S. Military to count toward retirement eligibility, effective January 1, 2018.
 - Effective January 1, 2018, the same prior service credits authorized for the Retirement Plan was administratively extended to employee for the purposes of meeting eligibility for the Retiree Health Insurance Program.
 - The restatement of the Retiree Health Insurance will eliminate the extension of the Prior Service Credits on a go-forward basis. This restatement is necessary to provide retiree benefits that are proportionate to each employee's years of service with NTMWD.
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NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 22-43

A RESOLUTION AUTHORIZING RESTATEMENT NO. 1 OF THE RETIREE HEALTH INSURANCE PROGRAM FOR EMPLOYEES OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT

WHEREAS, the NTMWD Board of Directors has established, authorized, and implemented the Retiree Health Insurance Program for Employees of the North Texas Municipal Water District (the "Program") in August of 2000; and,

WHEREAS, the Retiree Health Insurance Program provides essential healthcare coverage for retirees prior to eligibility to Medicare; and,

WHEREAS, the stated goal of creating the program is to remain competitive with like industries and organizations; and,

WHEREAS, the NTMWD Board of Directors desires to restate the Program and clarify service credit in reference to years of service required for eligibility for the program, and ensure the long-term sustainability of the program, while recognizing and rewarding employees for service to NTMWD.

NOW, THEREFORE, THE BOARD OF DIRECTORS IN THE REGULAR MEETING RESOLVE THAT:

1. The Retiree Health Insurance Program for Employee of the North Texas Municipal Water District be restated with the following provisions
 - a. The retiree and their spouse must be enrolled in the NTMWD's health care coverage at the time of the employee's retirement to be eligible for the Program.
 - b. The District provides five (5%) percent of the total premium cost for retiree and/or spousal retiree insurance for each year of service to NTMWD and prior service credit from employment with any state, city, county, other utility districts, and U.S. Military for those employees retiring January 1, 2018, or later and employed with NTMWD prior to October 1, 2022.
 - c. The District provides five (5%) percent of the total premium cost for retiree and/or spousal retiree insurance for each year of service to NTMWD for employees hired on or after October 1, 2022. Retiree and spouse must not be eligible for other employer-provided healthcare coverage while enrolled in the program.
 - d. Coverage for retiree ends when retiree attains age 65, and coverage for spouse ends when spouse attains age 65.
2. The President of the Board of Directors of NTMWD, or his designee, is hereby authorized on behalf of the Board of Directors to execute the Restatement No. 1 of the Retiree Health Insurance Program for Employees of the North Texas Municipal Water District.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON SEPTEMBER 22, 2022, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.

GEORGE CRUMP, Secretary

JACK MAY, President

(SEAL)

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5861

REGIONAL WATER SYSTEM
MCKINNEY DELIVERY POINT NO. 3 TO MCKINNEY DELIVERY POINT NO. 4 PIPELINE
PROJECT NO. 101-0505-18

ENGINEERING SERVICES AGREEMENT ADDITIONAL SERVICES

ACTION (*What*)

Authorize additional engineering services for advancement of the water pipeline improvements project from 60% design level through construction.

PURPOSE (*Why*)

Advancing local development, along with coincidental expanding space needs by the Texas Department of Transportation (TxDOT) and other regional stakeholders, have made it necessary for the design of this pipeline to include continuous collaboration. The additional services extends the development of the selected pipeline alignment from final design to the successful completion of the pipeline construction.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors authorize additional services as follows:

Consultant: HDR, Inc.

Scope: Additional Services, Final Engineering Design, Adjustment No. 3

Project: No. 101-0505-18, McKinney Delivery Point No. 3 to McKinney Delivery Point No. 4 Pipeline

Amount: \$2,182,540

Strategic Objective: 1.4: Reliable and Resilient System Capacity

This will be an item on the September 21, 2022, Water Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

- | | |
|--|---|
| <input type="checkbox"/> Regulatory Compliance | <input type="checkbox"/> Asset Condition |
| <input checked="" type="checkbox"/> Capacity | <input checked="" type="checkbox"/> Redundancy/Resiliency |
| <input type="checkbox"/> Relocation or External Requests | <input type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety | <input type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy | <input type="checkbox"/> Other _____ |

BACKGROUND

- The future transfer of treated water from the Leonard Water Treatment Plant (WTP) into the existing NTMWD north transmission system will require the addition of a 72-inch water transmission pipeline from the site of the McKinney Delivery Point No. 4 to the site of McKinney's Delivery Point No. 3. NTMWD is also adding the new Northeast McKinney Pump Station adjacent to the Delivery Point No. 4 site to boost these new flows into the NTMWD Transmission System.
- The new pipeline will serve to close a major loop in the north transmission system and enhance the movement and reliability of water to the remote northeastern part of the system.
- In June 2018, the Board approved Administrative Memorandum No. 5189 authorizing Preliminary Engineering design. Subsequent administrative memoranda were approved in February 2019 (No. 5351) and August 2019 (No. 5458) for expedited routing design and real estate acquisition.
- In June 2021, the Board approved Administrative Memorandum No. 5734 authorizing additional services to advance the waterline design to 60% level.
- In November 2021 the board approved Consent Agenda Item No. 21-11-02 authorizing additional services for Adjustment No. 2 for the cultural resources services, as required by the Texas Historic Commission.
- The engineering consultant has completed 60% design and has performed initial topographic survey and geotechnical investigation.

PROJECT PURPOSE

- The additional services includes 6-month design services to take the 60% design to 100% design. This effort requires detailed design, cathodic protection, further investigation of the selected pipeline alignment including topographic survey, field note preparation of easement and right-of-way acquisitions, geotechnical investigation at deep tunnel sections, various regulatory and crossing permits (TxDOT, Collin County, City of McKinney, Atmos Energy and OneOk Gas), Level A and B subsurface utility engineering locating critical utilities, tree survey in accordance with City of McKinney tree ordinance, and asbestos inspection and testing of existing abandoned structures within the pipeline corridor.
- The additional services includes bid phase services, preconstruction and construction administrative and technical support for an assumed 30-month period. Construction phase services includes progress meetings, site visits, submittal reviews, walk-throughs, start-up/commissioning, and record drawings.
- The engineering opinion of construction cost is estimated at \$80,000,000.
- The recommended additional fee is \$2,182,540. This brings the total engineering design fee for the project to \$4,149,870.

ADDITIONAL SERVICES

The recommended additional services will advance the pipeline design from 60% to 100% level, including bid phase and construction phase services. Various aforementioned investigative services are necessary for the final completion of the pipeline design.

- 90% Design
- 100% Design
- Bid Phase Services
- Construction Phase Services
- Topographic Survey and Easement Documentation
- Geotechnical Investigation
- Environmental Survey
- Asbestos Inspection

ENGINEERING SERVICES FEE

DESCRIPTION	AMOUNT
Original ESA	\$1,196,309
Prior Additional Services	\$771,021
Proposed Additional Services	\$2,182,540
Revised ESA Amount	\$4,149,870

FUNDING

FUND(S): Additional funding in the amount of \$2,182,540 to HDR Inc. is to be made available in the Regional Water System Capital Improvement Fund.

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5862

REGIONAL WATER SYSTEM
WYLIE WATER TREATMENT PLANT III
SLUDGE HANDLING AND RECLAIMED WATER IMPROVEMENTS
PROJECT NO. 101-0541-19

CHANGE ORDER NO. 3

ACTION (*What*)

Authorize a credit to the construction contract for reducing all basin work scope at Wylie Water Treatment Plant (WTP) III.

PURPOSE (*Why*)

A discrepancy between specifications and subcontractor's assessment of conditions could have required additional material preparation and resulted in a claim from the subcontractor due to an alleged increased level of effort. The delay in resolving the dispute, additional onsite inspection of some portions of work previously underwater, and mediation discussions between all parties, resulted in the recommendation to remove the trough rehab portion of the work from the current contract scope and to defer the work to a future project in the capital improvement plan. Removing work inside the basins from the project was decided to be the most cost-effective solution for resolving a claim with a high likelihood of a potential lawsuit. The trough and sludge mechanism blasting and coating will be re-evaluated for future completion.

RECOMMENDATION

The Executive Director and NTMWD staff, Arcadis U.S., Inc., and Saunders, Walsh & Beard recommend the Board of Directors authorize a construction change order as follows:

Contractor: Archer Western Construction, LLC

Scope: Construction, Change Order No. 3

Project: No. 101-0541-19, Wylie Water Treatment Plant III Sludge Handling and Reclaimed Water Improvements

Amount: (\$2,677,075)

Strategic Objective: 1.4: Reliable and Resilient System

This will be an item on the September 21, 2022, Water Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

- | | |
|---|--|
| <input checked="" type="checkbox"/> Regulatory Compliance | <input checked="" type="checkbox"/> Asset Condition |
| <input checked="" type="checkbox"/> Capacity | <input checked="" type="checkbox"/> Redundancy/Resiliency |
| <input type="checkbox"/> Relocation or External Requests | <input checked="" type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety | <input type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy | <input type="checkbox"/> Other _____ |

BACKGROUND

PROJECT PURPOSE

- Improve sludge handling operations at WTP III
- Construct new reclaim basin sized to store and regulate the return of filter backwash water back to the treatment process
- Provide an air gap for the filter-to-waste flow stream into the reclaim basin as required by the Texas Commission on Environmental Quality (TCEQ)
- Rehab troughs inside basins
- Construct new foundation drain pump station for north side of WTP III

PROJECT COMPONENTS

- Sludge handling facilities improvements including replacement pumps, associated valves, piping, sludge flow meter, new parallel sludge pump station discharge line, concrete repair and recoating.
- New electrical and instrumentation components installed within the existing sludge pump station.
- Construction of new concrete reclaim storage basin and pump station, new filter-to-waste and washwater waste pipelines and tie-ins, isolation of the existing filter-to-waste pipeline from existing reclaim structure.
- Foundation drain improvements including rerouting of the existing foundation drain piping from the sludge pump station to the new reclaim structure, and demolition of the existing foundation drain sump pit in the sludge pump station wet well.
- New tie-in(s) from reclaim pump station to WTP III and WTP IV raw water pipelines.
- New electrical building and associated electrical and instrumentation for the new reclaim basin and pump station.

PROPOSED CHANGE ORDER

- Remove all blasting and coating inside the eight (8) sedimentation basins at WTP III. This includes 96 troughs (12 per basin), and 16 (2 per basin) sludge collector mechanisms.
 - Additional work inside the sedimentation basins being removed includes installing new trough support brackets, replacing steel weirs with fiberglass weirs, concrete repair at trough and launder connection, and crack seal and repair at concrete launders.
 - The weirs and trough support brackets have already been purchased and stored on site. These items will be turned over to NTMWD for installation at a later date.
-

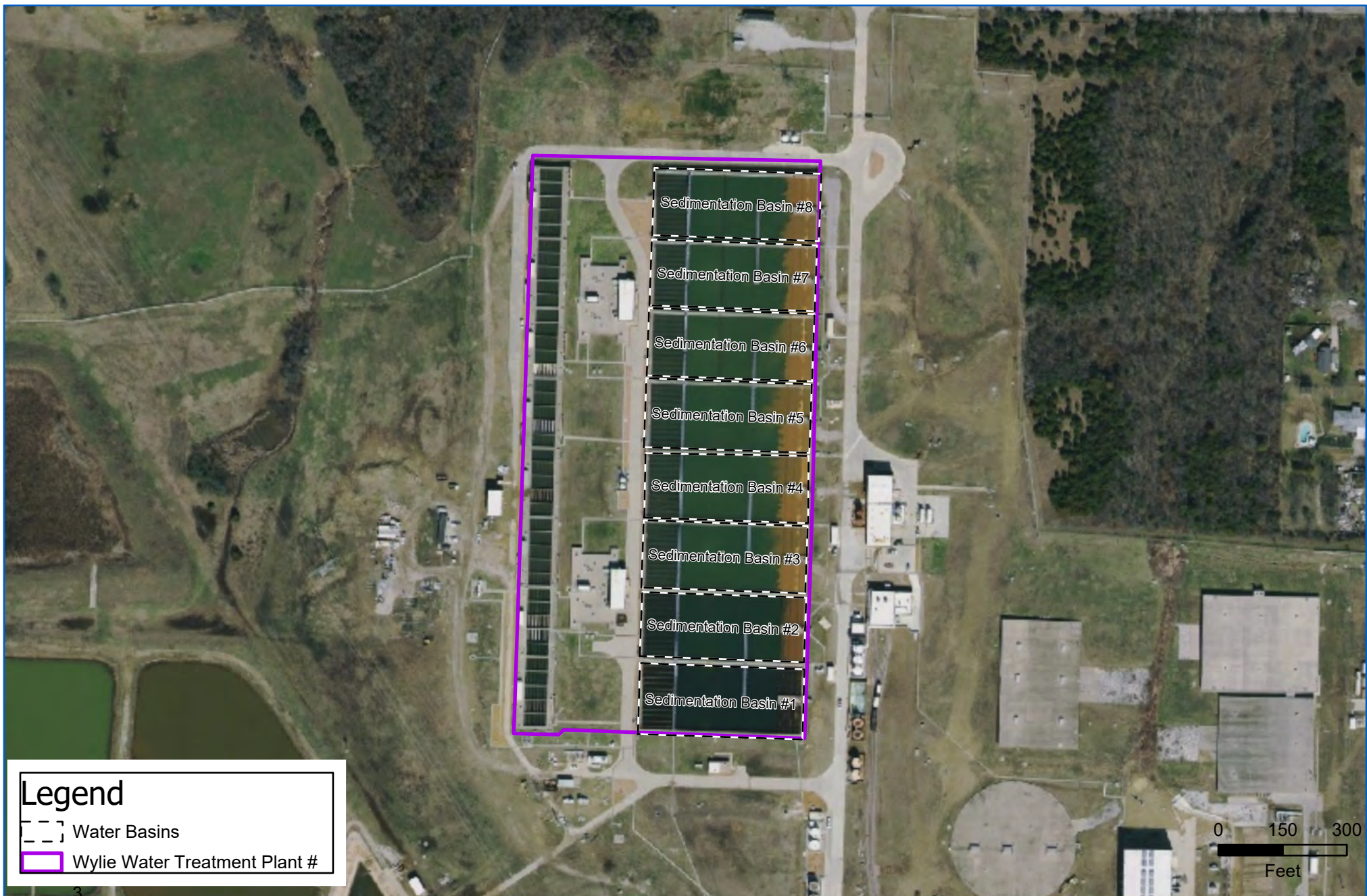
CHANGE ORDER NO. 3

Description	Amount	Days
Original Contract Amount	\$16,789,920.00	820
Prior Change Order(s) Total*	\$87,624.00	0
Proposed Change Order No. 3		
Equipment/Material: Fiberglass Weirs, Trough Support Brackets, and Trough Hangers	\$370,845.00	0
Remove Bid Item No. 5: Construction Tasks Involved at Wylie WTP III Sedimentation Basins	(\$203,000.00)	0
Remove Bid Item No. 6: Recoat Steel Troughs at all eight Wylie WTP III Sedimentation Basins	(\$996,480.00)	0
Remove Bid Item No. 7: Additional Trough Support Brackets for all eight Sedimentation Basins	(\$96,000.00)	0
Remove Bid Item No. 8: Recoat Sludge Collector Mechanism and Corresponding Drive Unit Walkway Bridges in each Sedimentation Basin	(\$1,083,200.00)	0
Remove Bid Item No. 9: Replace Existing Steel Weirs with new fiberglass reinforced polymer (FRP) Weirs in each Sedimentation Basin Trough	(\$488,640.00)	0
Remove Bid Item No. 10: Replace Steel Troughs in the Sedimentation Basins	(\$132,600.00)	0
Remove Bid Item No. 13: Repair of Leaking Steel Trough to Effluent Concrete Trough Attachment	(\$60,000.00)	0
Remove Bid Item No. 15: Seal and Repair Expansion Joints in Concrete Launderers	(8,000.00)	0
Material Procurement, Delivery, and Handling	\$20,000.00	0
Proposed Change Order No. 3 Decrease	(\$2,677,075.00)	0
Revised Contract Amount	\$14,200,469.00	820

*Change Order No. 2 is on the current Engineering Activity Report.

FUNDING

FUND(S): Funding in the amount of (\$2,677,075) to Archer Western Construction, LLC, will be credited back to the Regional Water System 2019A Construction Fund.



Wylie Water Treatment Plant III
Sludge Handling and Reclaimed Water Improvements
Project No. 101-0541-19
Administrative Memorandum No. 5862



NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5863

WHOLESALE WATER SALES AGREEMENT CITY OF MESQUITE AND KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 12

ACTION (*What*)

The Board of Directors is requested to approve the Amended and Restated wholesale water sales contract between the City of Mesquite (City) and the Kaufman County Municipal Utility District (MUD) No. 12, which is located outside the City Limits and the Extraterritorial Jurisdictional (ETJ).

PURPOSE (*Why*)

This consideration for approval of the a wholesale water sales contract is required by Section 3 (a) of the August 1, 1988, Regional Water Supply Facilities Amendatory Contract between the NTMWD and the City of Mesquite.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors approve the amended and restated wholesale water sales agreement between the City of Mesquite and Kaufman County Municipal Utility District No. 12.

Contracting Party: City of Mesquite and Kaufman County MUD No. 12

Purpose: Wholesale Water Sales Contract

Contract Term: 30 years

Strategic Objective: 3.2 Engaged Members, Customers and Stakeholders

This will be an item on the September 21, 2022, Water Committee meeting agenda

DRIVER(S) FOR THIS PROJECT

<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input checked="" type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

BACKGROUND

- In January, 2006 the NTMWD Board approved a wholesale water sales contract between the City of Mesquite and the Kingsborough Municipal Utility District Nos. 1, 2, 3, 4, and 5
- In February 3, 2006, the Texas Commission on Environmental Quality (the "TCEQ") approved multiple orders approving the name changes from Kingsborough Municipal Utility District Nos. 1, 2, 3, 4, and 5 to Kaufman County Municipal Utility District Nos. 8, 9, 10, 11, and 12
- Kaufman County Municipal Utility District No. 12 is the retail provider to Kaufman County Municipal Utility District Nos. 9, 10, 11, 12 and 14, Kaufman County Fresh Water Supply District Nos. 4A and 4B and the Trail Winds Development
- The City of Mesquite, is requesting authorization to sell potable water to an additional portion of the Kaufman County MUD No. 12 service area, specifically, Kaufman County Fresh Water Supply District Nos. 4A and 4B, which is an area outside Mesquite's city limits.
- The Parties agree that it is in the best interest of Mesquite and the Kaufman County Municipal Utility District No. 12 to amend and restate in its entirety the August 27, 2004 Agreement so that the Parties may enter into this Agreement and more clearly identify their respective obligations
- The City of Mesquite is requesting authorization to sell potable water to the Kaufman County MUD No. 12, which is an area outside Mesquite's City limits.
- The City has available potable water quantities and will provide up to 5,000,000 gallons per day of potable water
- The City will provide water to Kaufman County MUD No. 12 through its own water supply system
- Water will only be provided to customers within the defined boundary of the property described in the wholesale water contract
- Kaufman county MUD No. 12 must adopt conservation measures consistent with Mesquite
- Kaufman County MUD No. 12 shall not use water for filling purposes or maintaining surface water impoundments without express written consent of the City
- A copy of the contract between the City and Kaufman County MUD No. 12 is attached.

FUNDING

FUND(S): None Required

AMENDED AND RESTATED IN ITS ENTIRETY
AGREEMENT REGARDING WHOLESALE TREATED WATER SERVICE

THIS AMENDED AND RESTATED IN ITS ENTIRETY AGREEMENT REGARDING WHOLESALE TREATED WATER SERVICE (Agreement) is made between the City of Mesquite, Texas (Mesquite), a Texas home rule municipal corporation, and Kaufman County Municipal Utility District No. 12 (District), a Texas conservation and reclamation district organized under Article XVI, Section 59 of the Texas Constitution (each individually, a “Party” or collectively, the “Parties”).

RECITALS

WHEREAS, Mesquite is a home-rule municipal corporation of the State of Texas;

WHEREAS, House Bill No. 3622 (“HB 3622”), 78th Texas Legislature, Regular Session, created Kingsborough Municipal Utility Districts Nos 1, 2, 3, 4, and 5 of Kaufman County for the purposes, among others, of providing and financing treated water facilities for development in and around the districts;

WHEREAS, on February 3, 2006, the Texas Commission on Environmental Quality (the “TCEQ”) approved multiple orders approving the name changes from Kingsborough Municipal Utility District Nos. 1, 2, 3, 4, and 5 to Kaufman County Municipal Utility District Nos. 8, 9, 10, 11, and 12, respectively;

WHEREAS, on March 30, 2020, the TCEQ approved an order approving the name change from Kaufman County Municipal Utility District No. 8 to Kaufman County Municipal Utility District No. 14;

WHEREAS, Kaufman County Municipal Utility District No. 12 is the retail water service provider for Kaufman County Municipal Utility District Nos. 9, 10, 11, 12 and 14 (collectively, the MUDs), Kaufman County Fresh Water Supply District Nos. 4A and 4B (collectively, the “FWSDs”), and the Trailwinds Development;

WHEREAS, the District is a political subdivision of the State of Texas operating under the authority of Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code;

WHEREAS, the District’s water service area is the area described on ***Exhibit A***, which consists of the property located within the MUDs, the FWSDs and the Trailwinds Development (the “Water Service Area”);

WHEREAS, most of the District’s Water Service Area is located outside Mesquite limits and extraterritorial jurisdiction of Mesquite;

WHEREAS, pursuant to Mesquite’s wholesale water supply agreement with North Texas Municipal Water District (“North Texas”), as amended, a copy of which is attached herewith as

Exhibit B (the “North Texas Water Contract”), Mesquite must first obtain consent from North Texas to provide water to customers outside Mesquite’s city limits and extraterritorial jurisdiction;

WHEREAS, Mesquite consented to and supported the creation of the District and the MUDs and acknowledges that the District and the MUDs are essential to the full development of the property served by the District and for the successful implementation of this Agreement;

WHEREAS, in order to provide treated water to serve the Water Service Area, 2219 Kaufman Partners, L.P., the MUDs, and Mesquite entered in the August 27, 2004 Agreement Regarding Wholesale Treated Water Service, which was subsequently amended by that certain First Amendment to the Agreement Regarding Wholesale Treated Water Service, dated October 7, 2005 (collectively, the “August 27, 2004 Agreement”);

WHEREAS, the Parties agree that it is in the best interest of Mesquite and the District to amend and restate in its entirety the August 27, 2004 Agreement so that the Parties may enter into this Agreement and more clearly identify their respective obligations;

WHEREAS, Mesquite agrees, subject to the consent of North Texas, to provide wholesale treated water to the District in the amounts and at the times identified in Article II of this Agreement to the District so that the District may provide retail water service to the Water Service Area; and

WHEREAS, only the Water Service Area may be served by wholesale treated water provided by Mesquite through the North Texas Water Contract without the approval of Mesquite, which Mesquite will not unreasonably withhold, and without the approval of North Texas, which Mesquite will work in good faith to obtain on the District’s behalf; and

WHEREAS, Mesquite has the capability to provide wholesale treated water in the amounts and at the times identified in Article II of this Agreement pursuant to the North Texas Water Contract; and

WHEREAS, pursuant to the authority of Article III, Section 64(b) of the Texas Constitution and Chapter 791 of the Texas Government Code (“Chapter 791”), each Party that is a political subdivision of the State of Texas has the authority to contract and agree to perform governmental functions and services; and

WHEREAS, each Party that is a political subdivision of the State of Texas acknowledges and agrees that this Agreement is intended to be an interlocal agreement as between such political entities only pursuant to the authority of the Texas Constitution and Chapter 791; and

WHEREAS, to the extent that any provisions of this Agreement involve or constitute the exercise of a governmental function or service by any Party that is a political subdivision of the State of Texas, such provisions are intended to be enforceable to the maximum extent authorized by the Texas Constitution and Chapter 791; and

WHEREAS, pursuant to the authority of Chapter 402 of the Texas Local Government Code and Section 49.213 of the Texas Water Code, Mesquite and the District have the authority to enter into and perform their respective duties and obligations under this Agreement; and

WHEREAS, Mesquite has obtained the consent of North Texas to the extent such consent is required for Mesquite to perform its duties and obligations under this Agreement.

NOW THEREFORE, for and in consideration of the mutual promises of the Parties as set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

“24-Inch Water Line” means the 24-inch water line that delivers water from the Point of Delivery to the Water Service Area, the location of which is generally shown on ***Exhibit C***.

“24-Inch Water Line Connection” means the point where the 24-Inch Water Line is connected to Mesquite’s treated water facilities, the location of which is generally shown on ***Exhibit C***, and where Mesquite delivers treated water to the District for transport through the 24-Inch Water Line.

“August 27, 2004 Agreement” means collectively the August 27, 2004 Agreement Regarding Wholesale Treated Water Service between Mesquite, the MUDs, and 2219 Kaufman Partners, L.P., and the October 7, 2005 First Amendment to the Agreement Regarding Wholesale Treated Water Service between Mesquite, the MUDs, and Heartland 600 Development Land, L.P.

“Effective Date” means the date as determined by Section 5.20 of this Agreement.

“FWSD” or “FWSDs” means Kaufman County Fresh Water Supply District Nos. 4A and 4B.

“Heartland System Improvements” means the water system improvements that connect and deliver water from the 24-Inch Water Line to the Water Service Area, the location of which is generally shown on ***Exhibit C***.

“Interconnection Water Meter” means the water meter(s) and related appurtenances owned by Mesquite at the connecting facilities for the Mesquite Service Area measuring the flow of treated water transported to the Mesquite Service Area.

“MGD” means million gallons per day.

“Mesquite Service Area” means the area identified on ***Exhibit E*** to which the District transports treated water for Mesquite to provide retail water service to the area.

“Mesquite Water Meter” means the water meter(s) and related appurtenances owned by Mesquite at the Point(s) of Delivery, the location of which is generally shown on the attached ***Exhibit C***.

“MUD” or “MUDs” means Kaufman County Municipal Utility District Nos. 9, 10, 11, 12 and 14.

“North Texas” means North Texas Municipal Water District.

“North Texas Water Contract” means the August 1, 1988 North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract between Mesquite and North Texas, as amended by the First Amendment to the North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract, as that agreement may be amended from time to time, and attached as ***Exhibit B***.

“Point of Delivery” means the point where the 24-Inch Water Line is connected to the treated water facilities controlled by Mesquite, the location of which is generally shown on ***Exhibit C***. The Point of Delivery may be changed or additional Points of Delivery may be added by mutual written consent.

“Project Costs” means the costs to design and construct the improvements identified in ***Exhibit D*** and all right-of-way and easement acquisition costs.

“Water Service Area” means the area described in ***Exhibit A***, which consists of the property located within the MUDs, the FWSDs and the Trailwinds Development.

“Water Service Requirement” means the amount of wholesale treated water Mesquite will make available to the District at the Point of Delivery as that amount and the time of such amount are described in Section 2.1.

“Water System Improvements” means the 24-Inch Water Line and the Heartland System Improvements, collectively.

ARTICLE II WATER QUANTITY AND DELIVERY; WATER QUALITY

2.1 Quantity and Rate of Delivery.

a. On the Effective Date of this Agreement, Mesquite shall make available to the District at the Point of Delivery up to 3.6 MGD at a maximum rate of delivery of 2,500 gallons per minute at any instant in time.

b. Upon the District meeting the following conditions set out in this Subsection 2.1.b., Mesquite shall make available to the District at the Point of Delivery up to 5.0 MGD at a maximum average rate of 3,472 gallons per minute at any instant time:

(1) The District has submitted a written request to Mesquite requesting that the Water Service Requirement be increased to 5.0 MGD;

(2) The District's average daily use as measured by the Mesquite Water Meter for the preceding twelve (12) consecutive months prior to the District's written request is at least 2.52 MGD (70% of 3.6 MGD), which is estimated to occur toward the end of 2024;

(3) The District has paid to Mesquite 29.3 percent of the Project Costs of the new 24 inch water line improvement identified on ***Exhibit D***;

(4) The ***Exhibit D*** improvements have been completed, accepted, and placed online by Mesquite;

(5) The District has paid in full all amounts owed to Mesquite and is not otherwise in default of this Agreement.

c. Design and Construction of ***Exhibit D*** Improvements

(1) Within 30 days after the receipt of the District's written request as provided by Section 2.1.b.(1), Mesquite shall initiate the design of final plans for the improvements identified on ***Exhibit D***. Upon completion and approval by Mesquite of the final plans, specifications, and bid documents for the improvements, Mesquite shall solicit public bids to complete the construction of the improvements and award the construction contract(s) in compliance with statutory and regulatory requirements to which Mesquite is bound. Mesquite shall cause the construction of the improvements to be started within forty-five days after Mesquite has obtained or been provided, as applicable, all permits, easements, dedication, and rights-of-ways required for the completion of the improvements, and cause the improvements to be completed within eighteen (18) months thereafter (as extended on a day-for-day basis for each day of delay arising from Force Majeure).

(2) Mesquite shall submit invoices to the District assessing the District its portion of the Project Costs associated with improvements identified in the ***Exhibit D*** improvements as Mesquite receives invoices from its consultant(s) and contractor(s). The invoice shall be due and payable to Mesquite in accordance with Section 4.3 of this Agreement.

d. If, after Mesquite has made available 5.0 MGD of water as provided by Section 2.1.b., the District's average daily use as measured at the Mesquite Water Meter is at least 3.5 MGD (70% of 5.0 MGD) for twelve (12) consecutive months and the District requires more than 5.0 MGD of treated water to serve the Water Service Area, the District may submit to Mesquite a written request for additional water for the Water Service Area. Such notice shall describe how much additional water the District requires, the proposed use of the water, and the time period in which the District will require the additional water. Mesquite, in its sole discretion, may provide the additional water as requested by the District, and may require the District to expand or make additional improvements to Mesquite's water system and to the Water System Improvements in order to provide the additional water to the District.

2.2 Quality. Mesquite agrees to provide at the Point of Delivery all treated water under this Agreement in accordance with the rules, regulations, standards, policies and other

requirements of TCEQ and of any other local, state, or federal governmental agency having jurisdiction.

2.3 Source of Water. The water Mesquite agrees to make available to the District pursuant to Section 2.1 is water provided to Mesquite by North Texas under the North Texas Contract.

2.4 Purpose and Place of Use. Treated water made available to the District under this Agreement shall be used solely for municipal purposes within the Water Service Area. The District shall not use the water supplied under this Agreement to fill or maintain the water level in any surface water impoundment. The District may only use the water made available to the District under this Agreement within the Water Service Area. The Parties acknowledge and agree that, notwithstanding any provision of this Agreement to the contrary, any water supply made available to the District hereunder shall be used solely in the Trinity River Basin and shall not be authorized for use outside of the Trinity River Basin.

2.5 Title to and Responsibility for Water; Reuse.

a. Title to all water supplied to the District shall be with Mesquite up to the Point of Delivery, at which point title shall pass to the District as applicable. Mesquite and the District shall be responsible for compliance with all applicable state and federal laws, rules, and regulations with respect to the delivery of the water owned by them as provided in this section. Notwithstanding anything to the contrary, the Parties agree that title to the water transported by the District to the Mesquite Service Area shall remain with Mesquite and Mesquite shall be solely responsible for compliance with all applicable state and federal laws, rules, and regulations with respect to the delivery of the water to the Mesquite Service Area.

b. As between the Parties, once the untreated wastewater produced as a result of the use of the water supply made available hereunder leave the boundaries of the District, title to such water transfers to North Texas. The District shall not have any right to the use of any of the treated wastewater effluent produced from such wastewater treatment plant(s) serving the Water Service Area for any purposes. North Texas shall have the right, as between the Parties, and pursuant to any necessary authorization of the State, to appropriate and/or reuse such treated wastewater effluent.

2.6 Water Conservation and Allocation of Water During Shortage. The District shall prepare, formally adopt, and implement, a water conservation plan and drought contingency plan that are consistent with TCEQ requirements for water conservation and that are consistent with similar plans adopted by Mesquite and North Texas. In the event of water rationing or other curtailment within Mesquite, or in the event that for any reason Mesquite does not have adequate water to meet the demands of its retail customers and meet the Water Service Requirement under this Agreement, Mesquite shall provide written notice as soon as reasonably possible of such rationing, curtailment, or inadequacy to the District, and the water that is available to Mesquite shall be allocated among all users on a “pro rata” basis. The District shall establish enforcement policies and procedures consistent with Mesquite’s, including penalties and fines as allowed by law for violators of any rationing or curtailment plan.

2.7 Reservation of Rights. The Parties agree that Mesquite reserves the right to enter into additional wholesale treated water supply contracts with other entities. The District may enter into additional wholesale treated water supply contracts to receive additional treated water supplies to meet its retail water service water supply needs over 5.0 MGD if Mesquite has provided the District with a written determination that Mesquite is unable to supply the District with additional water over 5.0 MGD.

2.8 Representations and Warranties.

a. Mesquite represents and warrants as follows:

(1) that the term of the North Texas Water Contract continues until all bonds issued by North Texas have been paid and for the entire useful life of the North Texas system;

(2) that there are no events of default by either Mesquite or North Texas under the North Texas Water Contract, and, to the best knowledge and belief of Mesquite, there are no facts or circumstances which, with the giving of notice or passage of time, would constitute an event of default by either such Party;

(3) that Mesquite has the right under the North Texas Water Contract to treated water to serve the Water Service Area in the amounts sufficient to meet the Water Service Requirement; and

(4) that Mesquite has the right under the North Texas Water Contract, subject to obtaining the consent of North Texas, to enter into and perform its obligations under this Agreement.

b. Mesquite further agrees that:

(1) it will use its best efforts to obtain any additional consents, as may be necessary, from North Texas to the extent required for Mesquite to perform its duties and obligations under this Agreement;

(2) it will maintain the North Texas Water Contract in full force and effect throughout the term of this Agreement or will enter into a replacement contract with North Texas or other provider of treated water that will otherwise enable Mesquite to continue to meet the Water Service Requirement;

(3) as a "Member City" of North Texas, it will use its best efforts to cause North Texas to plan for and provide adequate capacity to provide treated water to Mesquite so that Mesquite can meet its obligations under this Agreement; and

(4) it will give the District written notice of any alleged event of default under the North Texas Water Contract that would adversely impact the ability of Mesquite to meet the

Water Service Requirement (which notice shall be given within 30 days after becoming aware of such alleged event of default).

ARTICLE III WATER SYSTEM IMPROVEMENTS AND OWNERSHIP

3.1 24-Inch Water Line and Related Improvements

a. The District owns the 24-Inch Water Line. The operation, maintenance, and end-of-life replacement of the 24-Inch Water Line shall be performed solely by the District.

b. Mesquite owns the Mesquite Water Meter. The operation, maintenance, and end-of-life replacement of the Mesquite Water Meter shall be performed solely by Mesquite.

c. The District owns Heartland System Improvements. The District shall maintain an air gap between the 24-Inch Water Line and the Heartland System Improvements. The operation, maintenance, and end-of-life replacement of the Heartland System Improvements shall be performed solely by the District.

d. Before the commencement of any expansions, improvements, or additions to the 24-Inch Water Line or 24-Inch Water Line Connection, the District shall prepare and submit to Mesquite detailed plans and specifications for the proposed improvements. Review and approval of the plans and specifications by Mesquite and all other agencies with jurisdiction is required before the commencement of construction. Mesquite shall have the right to review such plans and specifications at the sole cost of the District. Mesquite agrees to review and provide comments on any plans and specifications within 30 days after they are submitted to Mesquite.

e. The 24-Inch Water Line may be upgraded, repaired, expanded, improved, operated, and maintained within the public rights-of-way or easement belonging to the District. However, should additional rights-of-way or easements be necessary, the District shall be responsible for the acquisition of any such rights-of-way or easements. The standard dimensions of such rights-of-way or easements shall be sufficient to allow for the lawful construction, upgrade, repair, expansion, improvement, operation, maintenance, or removal of the 24-Inch Water Line and adequate ingress and egress for such purpose.

f. Inspection of 24-Inch Water Line. The District shall be solely responsible for inspection of the Water System Improvements as the work on any improvements progresses.

3.2 Reporting. By January 31 of each year, the District shall provide, or cause to be provided in writing to Mesquite a schedule of the number of connections and the type of connections, such as single family residential, multifamily residential, commercial, governmental and institutional uses, and peak daily water use and yearly water use the District anticipates will be added during the calendar year and projecting over the next ten year period.

3.3 District Delivery of Water for Mesquite.

a. The District agrees to deliver for Mesquite treated water from Mesquite's system to the area identified on **Exhibit E**, attached hereto and incorporated herein ("Mesquite Service Area"), until such time that Mesquite has completed the construction of the new facilities necessary for Mesquite to deliver treated water to the Mesquite Service Area (the "New Facilities") and the New Facilities are operational. Mesquite will deliver the treated water to the District's 24-Inch Water Line at the 24-Inch Water Line Connection, and the District will transport that water through its 24-Inch Water Line to the Mesquite Service Area. Mesquite and the District may, by mutual agreement, designate connecting facility locations. Mesquite shall be responsible for operating and maintaining the connecting facilities. The payment and construction of the connecting facilities will be completed by Mesquite.

b. The Parties acknowledge that there is sufficient capacity and pressure in the 24-Inch Water Line at the point of the 24-Inch Water Line Connection to supply treated water to the District's Water Service Area and the Mesquite Service Area. In the event that there is not sufficient capacity and pressure through the 24-Inch Water Line necessary meet the water supply demands of the District and the Mesquite Service Area, the District shall have priority over water service to the Mesquite Service Area in receiving treated water from Mesquite and the District shall not be liable to the City for any failure to transport such treated water to the Mesquite Service Area. The treated water delivered by the District to the Mesquite Service Area for Mesquite shall not be charged to the District as water delivered to the District pursuant to this Agreement. Mesquite shall deduct the amount of water delivered through the Interconnection Water Meter to the Mesquite Service Area from the amount of water Mesquite delivers to the District through the Mesquite Water Meter. The amount of water Mesquite delivers to the District for the transport to the Mesquite Service Area shall be sufficient to meet the Mesquite Service Area's treated water demands and to not cause a reduction in the amount of water needed to meet the water supply demands of the District.

c. For each retail water service connection added by Mesquite in the Mesquite Service Area, Mesquite shall pay the District a one-time connection fee in accordance with the schedule attached hereto as **Exhibit F** ("Connection Fee Schedule"). Such payments shall be made as a credit against the Wholesale Treated Water Charge identified in Section 4.2.a.

d. Mesquite agrees to complete the construction of the New Facilities, and such New Facilities shall be operational, by 11:59 pm Central Standard Time on the date of the expiration of ten (10) years from the Effective Date of this Agreement (the "New Facilities Completion Date"). The Parties agree that if the New Facilities are not completed and operational by the New Facilities Completion Date, Mesquite shall pay the District on a monthly basis for the water being provided by the District to the Mesquite Service Area, calculated as follows: the number of gallons delivered by the District to the Interconnection Water Meter multiplied times (1) the Bulk Rate (as defined in Section 4.2.a herein) plus (2) two times the Surcharge (as defined in Section 4.2.a herein), until such time that Mesquite provides written notice to the District that the New Facilities have been completed and are operational.

e. This Section 3.3 shall terminate upon written notice to the District that construction of the New Facilities is complete and the New Facilities are operational. Notwithstanding the foregoing, if Mesquite determines that the District's transportation of treated water to the Mesquite

Service area is no longer necessary, Mesquite, in its sole discretion, may terminate this Section 3.3 upon written notice by Mesquite to the District. Upon termination of this Section 3.3, the District shall no longer be obligated to transport Mesquite's treated water to the Mesquite Service Area and Mesquite will no longer be obligated to pay the one-time connection fee or any other charges detailed in this Section 3.3.

3.4 Measuring Equipment.

a. Interconnection Water Meter. Mesquite shall furnish and install, at its sole expense, the Interconnection Water Meter at a location and per a design approved, inspected, and accepted by Mesquite. Mesquite further agrees to construct, at its sole cost, a meter vault and locking mechanism in conjunction with the installation of the Interconnection Water Meter.

b. Operation and Maintenance of Interconnection Water Meter. Once installed by Mesquite, Mesquite shall operate and maintain the connecting facilities and the Interconnection Water Meter, along with all of the necessary equipment and devices of standard type for measuring properly the quantity of treated water transported by the District to Mesquite's Water Service Area under this Agreement. The Interconnection Water Meter shall remain the property of Mesquite. The District may access the metering equipment described in this Section at all reasonable times. The District and its employees and agents, when accessing the metering equipment, shall notify Mesquite's Manager of Utilities that the District's intends to access the metering equipment, and shall comply with all of Mesquite's safety rules and requirements while accessing the metering equipment. The District shall not calibrate, or otherwise make changes or repairs to the metering equipment.

c. Calibration. Mesquite will calibrate the Interconnection Water Meter at least once per every two years at its expense or as requested by the District, at the District's expense. Mesquite will calibrate the Interconnection Water Meter in accordance with industry and manufacturing standards. If the Interconnection Water Meter registers flow within the standards of the American Water Works Association (AWWA) for a meter of similar size and type, it will be considered accurate. If the meter fails to register flow within the standards of the AWWA accurately, the amount of treated water service will be estimated by using the treated water usage for a corresponding number of days based on data from the most recent billing cycle in which the meter was known to be registering accurately, or, in the alternative, Mesquite and the District may agree on another suitable method for calculating the treated water usage during the period of meter failure.

d. Meter Reading. The reading, calibration, and adjustment of the meters described in this Section 3.4. shall be done only by the employees or agents of Mesquite. The results of each reading of the meter or meters shall be recorded by Mesquite, with a copy sent to the District, and representatives of the District may inspect the same at any time during reasonable business hours, upon reasonable written notice to Mesquite of the date and time.

e. Upon the termination of Section 3.3, the Interconnection Water Meter shall service as an emergency interconnection between the District's and Mesquite's water systems.

ARTICLE IV

RATES AND BILLING

4.1 Water Meter. Throughout the term of this Agreement, Mesquite will operate the Mesquite Water Meter at its sole cost and expense and will calibrate the Mesquite Water Meter at least once every 12 months, or more frequently at the request and expense of the District. A meter registering not more than three percent above or below the test result will be considered accurate. If any meter fails to register accurately, the amount of treated water service will be estimated by using the treated water usage for a corresponding number of days based on data from the most recent billing cycle in which the meter was known to be registering accurately or, in the alternative, Mesquite and the District may agree on another suitable method for calculating the treated water usage during the period of meter failure.

4.2 Billing for Water Service.

a. Meter Readings and Water Rate and Charge. Throughout the term of this Agreement, Mesquite shall read the Mesquite Water Meter and the Interconnection Water Meter on a monthly basis and calculate its bill to the District for wholesale treated water service based on such monthly readings. The monthly amount charged by Mesquite to the District for wholesale treated water, and which the District will pay to Mesquite as provided in Section 4.3, shall be the number of gallons delivered to the District based on the meter reading for the month at the Mesquite Water Meter, minus the number of gallons delivered by the District to the Interconnection Water Meter, multiplied times (1) the bulk rate per 1,000 gallons that Mesquite is charged for purchasing treated water from North Texas (or from any other sources) (“Bulk Rate”) plus (2) twenty-five percent (25%) (“Surcharge”), (collectively “Wholesale Treated Water Charge”). The Parties agree that the charge in this Agreement does not violate the public interest. The Surcharge may be adjusted by Mesquite as provided in Section 4.2.b. of this Agreement. Notwithstanding the foregoing, Wholesale Treated Water Charge will never be less than the initial rate of \$ 1.358 per 1,000 gallons. The Bulk Rate charged by Mesquite shall automatically be increased in any month if the bulk rate charged by North Texas (or other provider) is increased.

b. Amendment to Rate. Mesquite agrees that before it may change the Surcharge, Mesquite shall conduct a rate study to evaluate Mesquite’s cost of service to provide water to the District. Such study shall be conducted by an independent consultant with specific expertise in the area of wholesale water rates. Based on the results of such studies, the Mesquite City Manager shall have the right to recommend to the Mesquite City Council revisions to this Agreement, including but not limited to an adjustment to the Surcharge set forth in Section 4.2.a. of this Agreement; which recommendation shall be in writing with full justification and shall be provided to all Parties. The Parties shall have 30 days during which to review the recommended revisions to this Agreement and provide written comments thereto. If any Party provides written comments within such 30-day period, such written comments shall be presented to the Mesquite City Council for their consideration at the next regular meeting following the expiration of such 30-day period. Public notice shall be given of such meeting and of the action to be taken. At such meeting, the Mesquite City Council shall consider all recommendations and comments and shall determine in its sole discretion what action to be taken. The Parties agree that such action by the Mesquite City Council shall be final and shall take effect 30 days after the giving of written notice by Mesquite.

d. Limitation of Fees and Charges. The fees charged by Mesquite pursuant to this Article and pursuant to Section 2.1, of this Agreement shall be the only fees and charges charged by Mesquite for providing wholesale treated water to meet the Water Service Requirement.

4.3 Payment of Water Service Bills. The amounts billed by Mesquite shall be the Wholesale Treated Water Charge and the Project Costs. All amounts billed by Mesquite, shall be due and payable to Mesquite within 15 days from the date invoiced, which due date shall be set out on the face of the bills. The Wholesale Treatment Water Charge shall be assessed on monthly basis. All bills become delinquent if not paid by such due date and an interest penalty of 10 percent or the maximum percent allowed by law, whichever is less, shall be added to the total due. If any portion of the total due remains unpaid for 30 days from the due date, Mesquite shall give written notice that water service will be terminated 15 days from date of notice. If the District has not paid the amount due within that 15-day period, Mesquite may terminate service and the District must pay all amounts due including water charges, penalty, reconnection fees and any reasonable attorney fees incurred by Mesquite prior to restoration of service by Mesquite. In addition to termination of service, Mesquite may pursue any and all available legal remedies which may be appropriate, including, but not limited to, the initiation of legal proceedings for the collection of any delinquent bill. All sums payable under this Agreement shall be paid without offset, counterclaim, abatement, suspension or diminution except as otherwise specifically agreed to. If the District disputes the amount to be paid, it shall nevertheless promptly make payment as billed by Mesquite and if it is subsequently determined by an agreement or final court decision that such disputed payment should have been less, Mesquite will then make proper adjustments so that such Party will receive its overpayments plus interest at Mesquite's average interest rate for revenue bond indebtedness on such overpayments. For purposes of this section, funds shall be deemed received by Mesquite if a check is received by Mesquite by 5:00 pm on the due date.

4.4 Operating Expense. Source of Payment. Sufficiency of Income. The Parties agree, represent and covenant that all rates required to be paid under this Agreement for services to be provided by Mesquite shall constitute a proper operating expense of both the combined water and sewer works operated by the District and shall be payable as an operating expense from the income or increment derived from its combined water and sewer works, as authorized by the Constitution and laws of the State of Texas, including the Regional Waste Disposal Act. The District shall adjust and maintain from time to time the rates charged to the customers of its combined water and sewer works such that the income or increment therefrom shall at all times be sufficient to promptly pay or make provisions for the prompt payment of all such rates and charges when and as the same become due and payable and to comply with all other provisions of the resolutions, orders, or indentures authorizing its bonds or other obligations of its water works system or combined water and sewer works.

4.6 **INDEMNIFICATION. THE DISTRICT, TO THE EXTENT ALLOWED BY LAW, AGREES TO INDEMNIFY AND HOLD HARMLESS AND DEFEND MESQUITE, ITS OFFICERS AND EMPLOYEES, FROM AND AGAINST LIABILITY FOR ANY AND ALL CLAIMS, LIENS, SUITS, DEMANDS, AND/OR ACTIONS FOR DAMAGES, INJURIES TO PERSONS, PROPERTY DAMAGE (INCLUDING DAMAGE TO THE WATER SYSTEM IMPROVEMENTS), AND EXPENSES, INCLUDING COURT COSTS AND ATTORNEYS' FEES AND OTHER REASONABLE COSTS ARISING OUT OF OR**

RESULTING FROM THE QUALITY, QUANTITY AND PRESSURE OF ANY WATER DELIVERED BY MESQUITE IN CONNECTION WITH OR INCIDENTAL TO THE PROVISIONS OF THIS AGREEMENT AND FROM ANY LIABILITY ARISING OUT OF OR RESULTING FROM THE INTENTIONAL ACTS OR NEGLIGENCE, INCLUDING ALL SUCH CAUSES OF ACTION BASED UPON COMMON, CONSTITUTIONAL, OR STATUTORY LAW, OR BASED IN WHOLE OR IN PART UPON THE NEGLIGENT OR INTENTIONAL ACTS OR OMISSIONS OF THE DISTRICT, THE MUDS, AND THE FWSDS INCLUDING THEIR OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES, AND CUSTOMERS. THE DISTRICT SHALL HAVE THE RIGHT TO PARTICIPATE IN THE DEFENSE OF ANY ACTION TO WHICH THIS INDEMNIFICATION APPLIES (INCLUDING THE SELECTION OF OUTSIDE COUNSEL TO REPRESENT MESQUITE) AND TO REQUIRE THAT ANY JUDGMENT AGAINST MESQUITE BE APPEALED TO THE APPROPRIATE COURT OF APPEALS OR TO THE TEXAS SUPREME COURT; AND SHOULD MESQUITE FAIL OR REFUSE TO ALLOW SUCH PARTICIPATION OR FAIL OR REFUSE TO PURSUE SUCH APPEALS, THE INDEMNIFICATION PROVIDED BY THIS SECTION SHALL TERMINATE AS TO SUCH PARTY ONLY. ANY VOLUNTARY SETTLEMENT OF ANY ACTION TO WHICH THIS INDEMNIFICATION APPLIES SHALL REQUIRE THE CONSENT OF THE DISTRICT. NOTHING IN THIS INDEMNIFICATION SHALL BE DEEMED A WAIVER BY DISTRICT OF ANY IMMUNITIES TO WHICH IT IS OTHERWISE ENTITLED.

ARTICLE V
ADDITIONAL PROVISIONS

5.1 Recitals. The Parties acknowledge and agree that the “Recitals” set forth in this Agreement are true and correct.

5.2 Term. The term of this Agreement shall begin on the Effective Date and shall end on December 31, 2052 at 11:59 pm central standard time. Upon expiration of the term, it is the intent of the Parties that this Agreement will be renewed on terms mutually agreeable to both Parties so that uninterrupted treated water service will be available to serve the Water Service Area.

5.3 Severability. If any provision of this Agreement is held to be invalid for any reason by a court or agency of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and this Agreement shall be construed as if such invalid provision had never been contained herein, and the remaining enforceable provisions of this Agreement are expressly deemed severable for this purpose.

5.4 Cooperation. The Parties hereto agree to cooperate at all times in good faith to effectuate the purposes and intent of this Agreement.

5.5 Entire Agreement. This Agreement contains the entire agreement of the Parties and supersedes all prior or contemporaneous understandings or representations, whether oral or written, respecting the subject matter hereof.

5.6 Amendments. Any amendment to this Agreement must be in writing and shall be effective only if signed by the authorized representatives of each Party to this Agreement.

5.7 Effect of Force Majeure.

a. Should performance of any obligation created under this Agreement (excluding the obligation to make payments due under this Agreement) become impractical by reason of: fire, flood, storm, act of God, adverse weather conditions of unusual duration or nature, governmental authority, labor disputes, supply chain disruptions, war, endemic, pandemic, public health emergency, or any other cause not enumerated herein but which is beyond the reasonable control of the party whose performance is affected, then the performance of any such obligation is suspended during the period of, and only to the extent of, such prevention or hinderance, provided the affected party provides reasonable notice of the event of force majeure and exercises reasonable diligence to remove the cause of force majeure.

5.8 Effect of Legislative Changes. If any Party to this Agreement is unable to perform, in whole or in part, its obligations under this Agreement by reason of legislative or regulatory changes beyond its control, then performance shall be suspended to the extent and during the period affected by the change. Additionally, if there is a legislative or regulatory change where, as a result of such change, the obligations of or the restrictions upon any Party in providing or accepting service are significantly reduced, eliminated, or changed, then such affected Party may modify this Agreement upon sixty days' written notice to the other Parties. Modifications made pursuant to this section shall be limited to those changes necessary to make this Agreement consistent with the reduced, eliminated, or changed obligations of either Party resulting from the legislative or regulatory change.

5.9 No Third-Party Beneficiaries. This Agreement shall inure only to the benefit of the Parties and their successors and assigns as permitted by this Agreement. No person or entity that is not a Party to this Agreement shall be considered a third-party beneficiary of this Agreement.

5.10 Assignment.

a. The duties and obligations of the District under this Agreement may not be assigned, in whole or in part, to any person or entity without the prior written consent of Mesquite (which consent shall not be unreasonably withheld) and provided (i) the assignment is in writing duly executed by the District and the assignee, (ii) the written assignment obligates the assignee to perform all duties and obligations of the District under this Agreement that arise from and after the effective date of the assignment, and (iii) written notice of the assignment, together with a copy of the fully executed assignment, is provided to all Parties at least 30 days prior to the effective date of the assignment. From and after the effective date of any such assignment, the District shall be released from the performance of any duties or obligations under this Agreement arising from and after the effective date of the assignment. No assignment, however, shall release the District from any duties or obligations that arose prior to the effective date of the assignment unless the Parties agree to such a release.

b. The duties and obligations of Mesquite under this Agreement may be assigned, in whole or in part, to North Texas or to any political subdivision of the State of Texas that is a regional provider of treated water services provided (i) the assignment is in writing duly executed by Mesquite and the assignee, (ii) the written assignment obligates the assignee to perform all duties and obligations of Mesquite under this Agreement that arise from and after the effective date of the assignment, and (iii) written notice of the assignment, together with a copy of the fully executed assignment, is provided to all Parties at least 30 days prior to the effective date of the assignment. From and after the effective date of any such assignment, Mesquite shall be released from the performance of any duties or obligations under this Agreement arising from and after the effective date of the assignment. No assignment, however, shall release Mesquite from any duties or obligations that arose prior to the effective date of the assignment unless the Parties agree to such a release.

5.11 Consent to and Support of CCN. In the event the District elects to apply to the Public Utility Commission of Texas for a certificate of convenience and necessity to provide water service to serve all or any portion of the Water Service Area, Mesquite hereby consents to and agrees to support such application provided the District is not in default of the Agreement. In addition, Mesquite agrees to communicate such consent and support to the Public Utility Commission of Texas in whatever form may be reasonably requested by the District making the application or as otherwise requested by the Public Utility Commission of Texas.

5.12 Applicable Law. This Agreement shall be construed in accordance with Texas law.

5.13 Venue. Venue for any action arising hereunder shall be in Dallas County, Texas.

5.14 Notices. Any notice required or contemplated by this Agreement shall be deemed given (i) if mailed via Certified Mail Return Receipt Requested, on the earlier of the date actually received or five business days after mailed, and (ii) if deposited with a private delivery service (such as U.P.S. or FedEx), when delivered, as evidenced by a receipt signed by a person at the delivery address, when received at the delivery address. All notices shall be addressed as follows:

City of Mesquite, Texas
1515 N. Galloway Ave.
Attn: City Manager
Mesquite, TX 75149
Phone: 972.216.6293

And

City of Mesquite, Texas
1515 N. Galloway Ave.
Attn: City Attorney
Mesquite, TX 75149
Phone: 972.216.6272

Kaufman Municipal Utility Districts No. 12
c/o Coats, Rose, Yale, Ryman & Lee, P.C.
Attn: Timothy Green

3 Greenway Plaza, Suite 2000
Houston, TX 77046-0307
Phone: 713.651.0111

5.15 Events of Default. Except as provided in this section, no Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has had a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than 15 days after written notice of the alleged failure has been given). In addition, no Party shall be in default under this Agreement if within the applicable cure period the Party to whom notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured within a reasonable period of time. Notwithstanding the foregoing, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within 10 business days after it is due. If an event of default shall occur, then the aggrieved Parties shall be entitled to specific performance, injunctive relief, relief provided in this Agreement and damages to the maximum extent available under applicable law; provided, however, no event of default shall entitle any Party to terminate this Agreement or to any other remedy that would result in the termination of treated water service to the Water Service Area (except for nonpayment of water as described in Section 4.3 or the failure to pay the charges as described in Sections 2.1 and 4.2 of this Agreement).

5.16 Exhibits. The following exhibits are attached to this Agreement and incorporated herein by reference:

Exhibit A – Water Service Area
Exhibit B – North Texas Water Contract
Exhibit C – Water System Improvements and Mesquite Water Meter
Exhibit D – Mesquite System Improvements
Exhibit E – Mesquite Service Area
Exhibit F – Connection Fee Schedule

5.17 Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original, and all of which will constitute one and the same instrument. Each Party represents and warrants that they have the full right, power and authority to execute this Agreement.

5.18 Consent of NTMWD. The Parties acknowledge that Mesquite has obtained consent from North Texas to the extent required for Mesquite to perform its duties and obligations under this Agreement.

5.19 August 27, 2004 Agreement. The Parties agree that the August 27, 2004 Agreement is amended and restated in its entirety in this Agreement on the Effective Date.

5.20 Effective Date. The Effective Date of this Agreement is the date upon which this Agreement was executed by Mesquite.

[Signature Pages Follow]

CITY OF MESQUITE

Cliff Keheley, City Manager
City of Mesquite, Texas

Date

ATTEST:

Sonja Land, City Secretary
City of Mesquite, Texas

APPROVED AS TO FORM:

David L. Paschall, City Attorney

KAUFMAN COUNTY MUNICIPAL
UTILITY DISTRICT NO. 12:

Joey Guedea, President
Kaufman County MUD No. 12

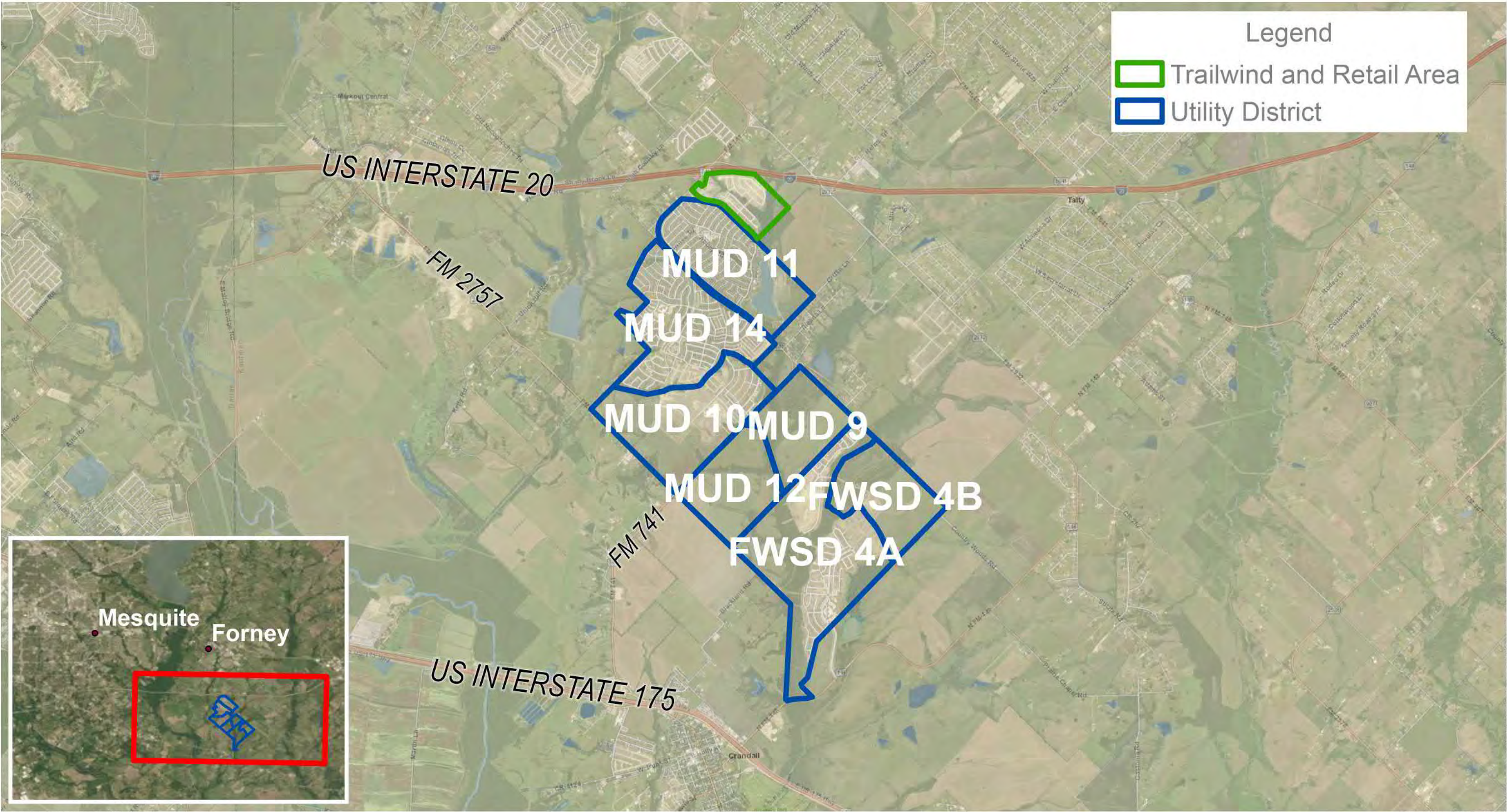
Date

ATTEST:

_____, Board Secretary
Kaufman County MUD No. 12

Exhibit A

Water Service Area



Tuesday, February 15, 2022

0 2,100 4,200
Feet
1 in = 4,167 ft



Project Extent
Heartland Community Water Improvements
Kaufman County, Texas



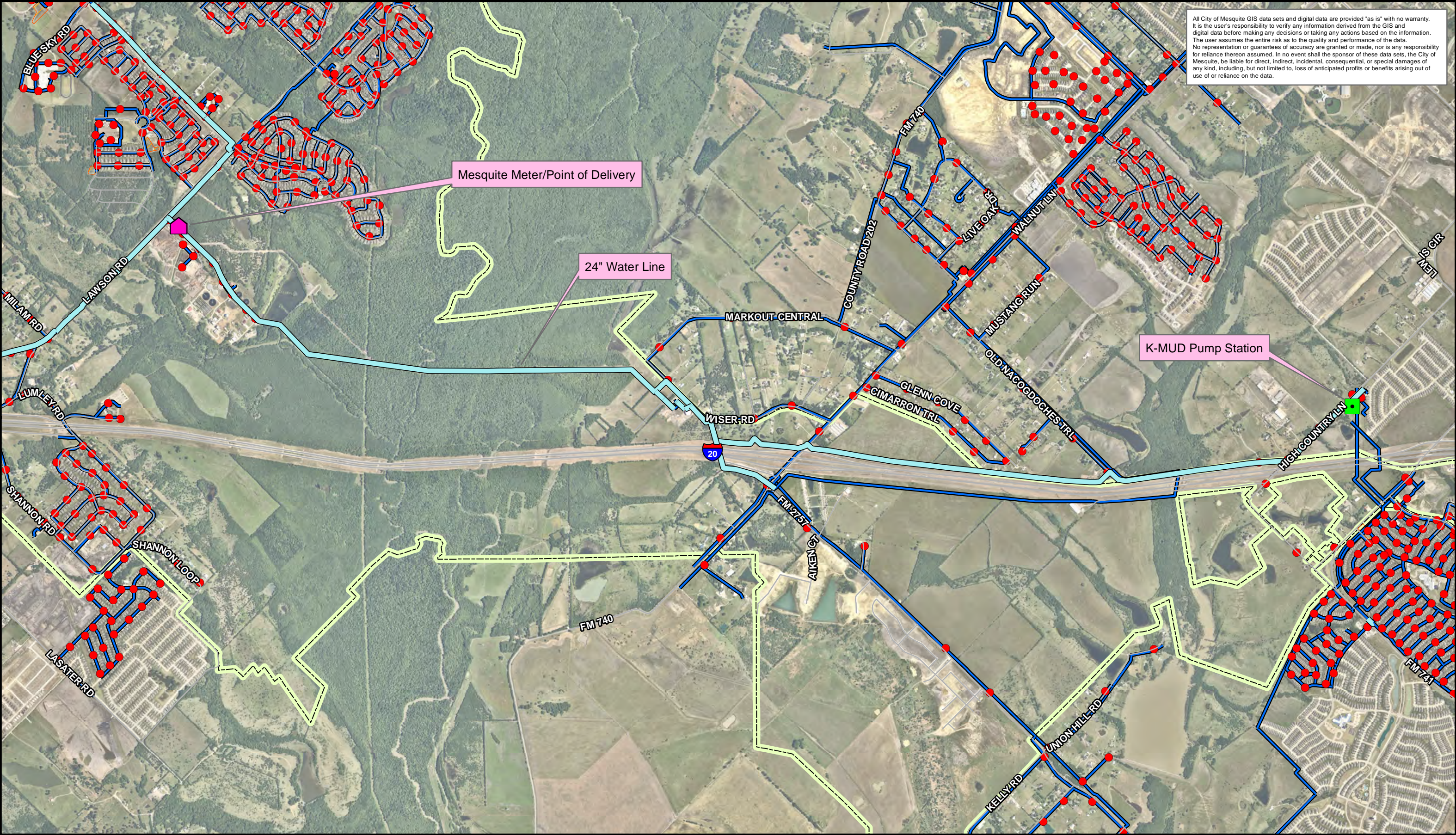
Exhibit B

North Texas Water Contract

Exhibit C

Water System Improvements and Mesquite Water Meter

Exhibit C - Heartland's K-MUD



All City of Mesquite GIS data sets and digital data are provided "as is" with no warranty. It is the user's responsibility to verify any information derived from the GIS and digital data before making any decisions or taking any actions based on the information. The user assumes the entire risk as to the quality and performance of the data. No representation or guarantee of accuracy are granted or made, nor is any responsibility for reliance thereon assumed. In no event shall the sponsor of these data sets, the City of Mesquite, be liable for direct, indirect, incidental, consequential, or special damages of any kind, including, but not limited to, loss of anticipated profits or benefits arising out of use of or reliance on the data.



- | | | | | | |
|---------------------|-------------------|----------|-----------------|------------------|-------------------------------|
| Water Lines | Drainage Channels | Hydrants | Parcel Boundary | KMUD_PumpStation | Mesquite Meter/Point Delivery |
| Sewer Gravity Mains | Hydrology | Manholes | Detention Ponds | | |
| Storm Sewer | Fiber Optic Lines | Inlets | | | |
| | | | | | 24" Water Line |

0 1,500 3,000 Feet

Q:\GIS\Projects\City_Manager\Kerby\KMUD_WaterAgreements\KMUD_11X17.mxd

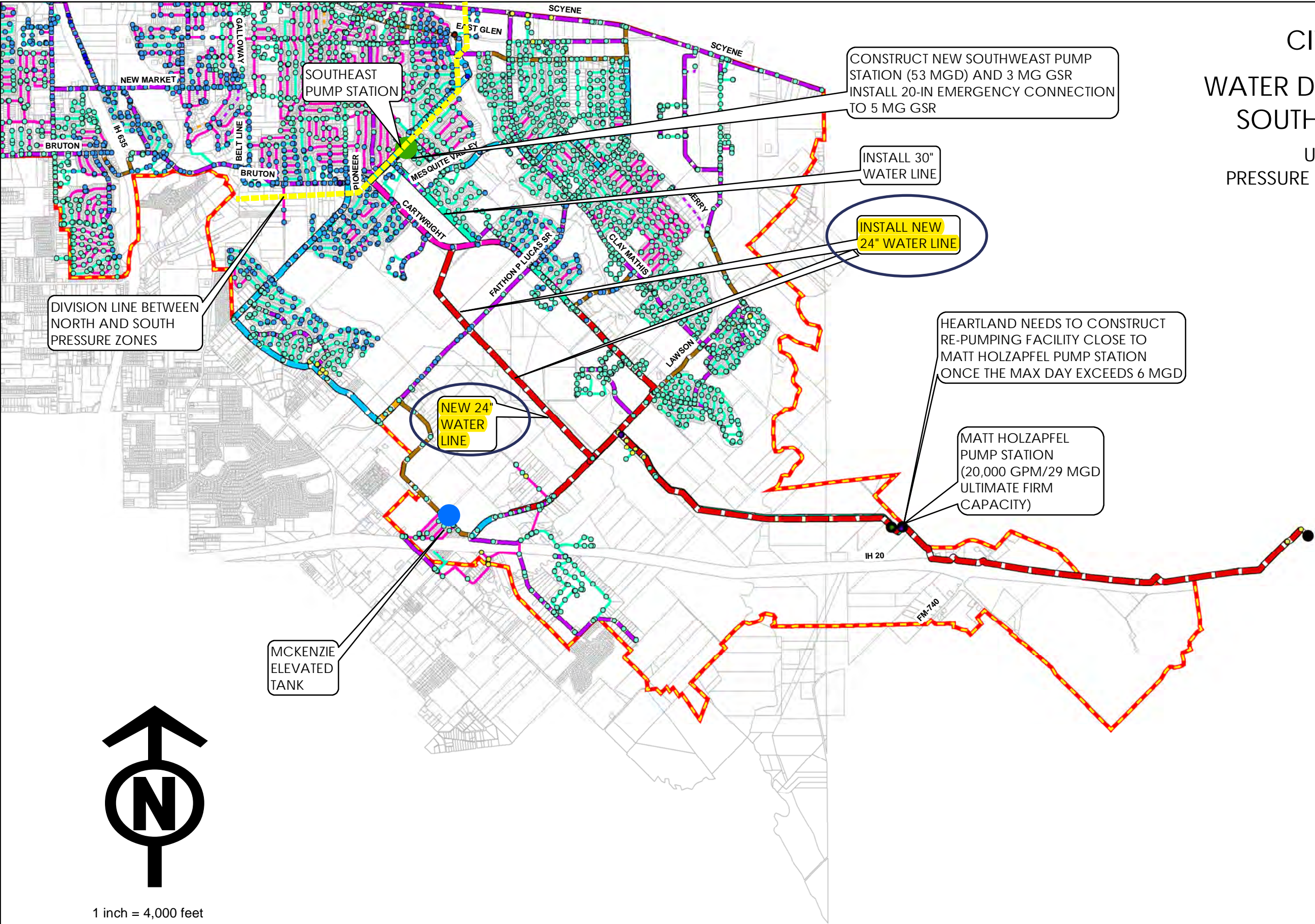


Exhibit D

Mesquite System Improvements

CITY OF MESQUITE
WATER DISTRIBUTION SYSTEM
SOUTH PRESSURE PLANE

ULTIMATE SYSTEM
PRESSURE @ PEAK HOUR (HOUR 21)



LEGEND

City Limits

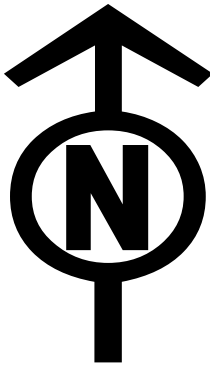
- City Limits

Pressure

- < 20 PSI
- < 35 PSI
- < 50 PSI
- < 75 PSI
- < 100 PSI
- > 100 PSI

Diameter

- 1
- 2
- 3
- 4
- 6
- 8
- 10
- 12
- 14
- 16
- 18
- 20
- 24
- 30
- 36
- 42
- 48



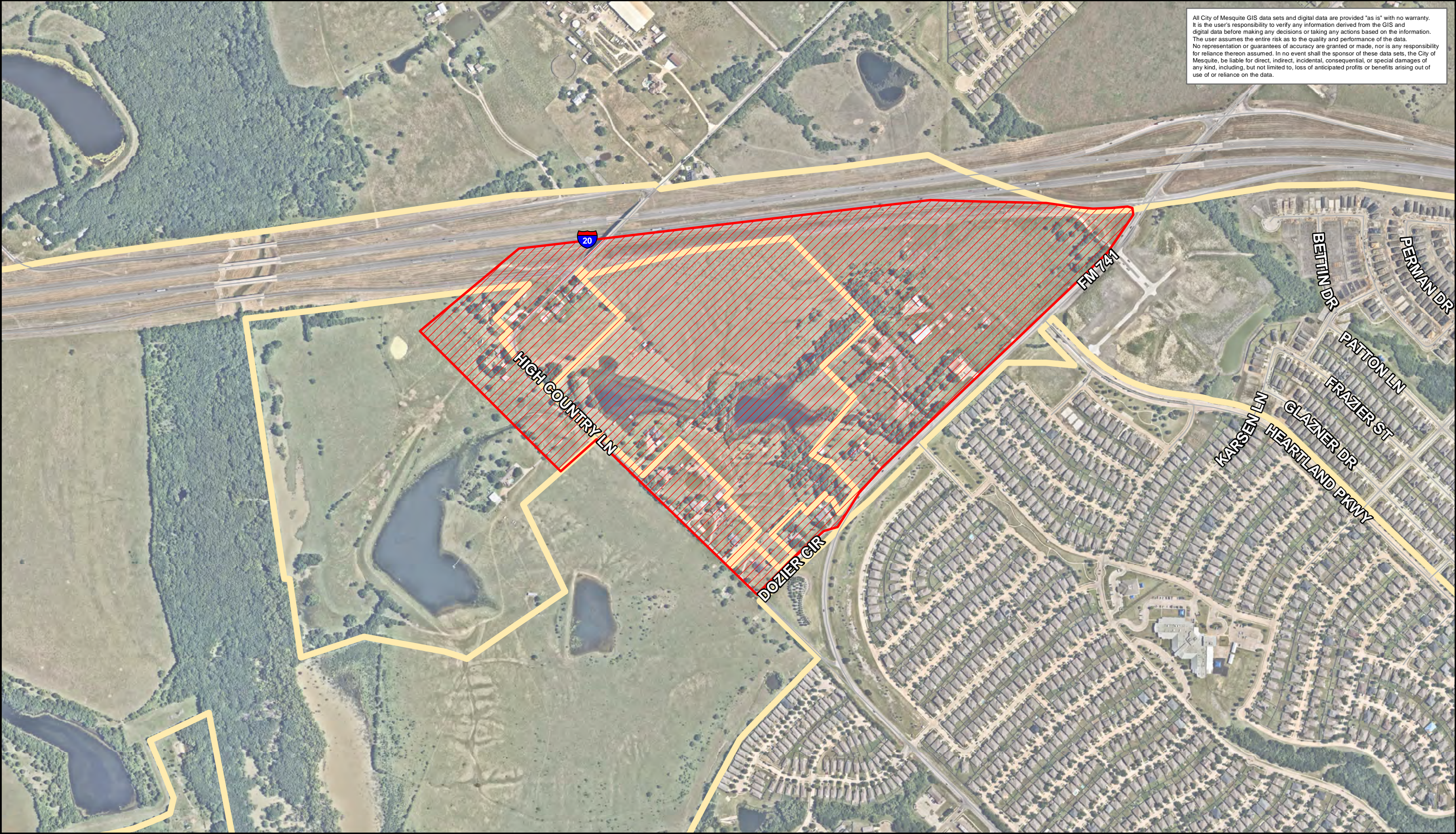
1 inch = 4,000 feet

Exhibit E

Mesquite Service Area

Exhibit E - City Area to Service

All City of Mesquite GIS data sets and digital data are provided "as is" with no warranty. It is the user's responsibility to verify any information derived from the GIS and digital data before making any decisions or taking any actions based on the information. The user assumes the entire risk as to the quality and performance of the data. No representation or guarantee of accuracy are granted or made, nor is any responsibility for reliance thereon assumed. In no event shall the sponsor of these data sets, the City of Mesquite, be liable for direct, indirect, incidental, consequential, or special damages of any kind, including, but not limited to, loss of anticipated profits or benefits arising out of use of or reliance on the data.



 City Area To Service

0 750 1,500 Feet

Q:\GIS\Projects\City_Manager\Kerby\KMUD_WaterAgreements\ExhibitE.mxd



Exhibit F

Connection Fee Schedule

Meter Size	Connection Fee
5/8" x 3/4" PD	\$1,721.00
3/4" PD	\$2,581.50
1" PD	\$4,302.50
1 1/2" PD	\$8,605.00
2" PD	\$13,768.00
2" Compound	\$13,768.00
2" Turbine	\$27,536.00
3" Compound	\$30,117.50
3" Turbine	\$60,235.00
4" Compound	\$51,630.00
4" Turbine	\$111,865.00
6" Compound	\$116,167.50
6" Turbine	\$240,940.00
8" Compound	\$154,890.00
8" Turbine	\$413,040.00
10" Turbine	\$602,350.00

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5864

UPPER EAST FORK INTERCEPTOR SYSTEM BECK BRANCH, PRAIRIE CREEK, AND RENNER ROAD LIFT STATIONS IMPROVEMENTS PROJECT NO. 501-0616-22

ENGINEERING SERVICES AGREEMENT

ACTION (*What*)

Authorize a preliminary design engineering services agreement for the Beck Branch Lift Station, Prairie Creek Lift Station and Renner Road Lift Station Improvements project.

PURPOSE (*Why*)

Rehabilitate existing lift stations to replace components that have exceeded their useful life expectancy, increase reliability, prevent sanitary sewer overflows, improve ventilation, and add safety measures.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute an engineering services agreement (ESA) as follows:

Consultant: Wade Trim, Inc.

Scope: Preliminary Engineering Design

Project: No. 501-0616-22, Beck Branch, Prairie Creek, and Renner Road Lift Stations Improvements

Amount: \$435,163

Strategic Objective: 1.2: Successfully Deliver Capital Program, and 1.4: Reliable and Resilient Systems

This item was discussed at the August 24, 2022, Wastewater Committee meeting.

DRIVER(S) FOR THIS PROJECT

<input type="checkbox"/> Regulatory Compliance	<input checked="" type="checkbox"/> Asset Condition
<input type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input checked="" type="checkbox"/> Operational Efficiency
<input checked="" type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

BACKGROUND

- In 2017, NTMWD obtained engineering services to perform condition assessments of twenty-three (23) lift stations within the next 10 year timeframe. In 2022, NTMWD obtained engineering services to perform and update the lift station condition assessment. Recommended improvements to the Beck Branch, Prairie Creek, and Renner Road lift stations have been prioritized and grouped together into a single project.
- The existing Beck Branch, Prairie Creek and Renner Road Lift Stations are located within the City of Richardson and convey wastewater flows to the Rowlett Creek Wastewater Treatment Plant within the Upper East Fork Interceptor System. These lift stations were constructed and placed into service in 1989, 1996, and 1997, respectively. The age of much of the equipment at these three lift station sites are near or have reached the end of their useful lives.

PROJECT PURPOSE

- Evaluate, identify, and develop a rehabilitation improvement plan for rehabilitate the Beck Branch Lift Station, Prairie Creek Lift Station, and Renner Road Lift Stations based on the condition assessment reports consisting of replacing components that have exceeded their useful life expectancy, improving the reliability of the facilities, preventing sanitary sewer overflows, improving the ventilation of the dry wells to declassify them as permit required confined spaces, and adding safety measures.
- The planning level construction cost estimate is \$7,500,000

PROJECT COMPONENTS

Beck Branch Lift Station Improvements

- Replace Pump Nos. 1 and 2
- Replace switchgear and the motor control center (MCC)
- Replace a 24-inch discharge header gate valve and a 24-inch billing flow meter within the existing meter vault
- Install a permanent bypass connection
- Install a push-pull ventilation system in the drywell
- Apply protective coating in the wet well
- Install combustible gas detection and hydrogen sulfide (H₂S) gas sensors in the existing dry well
- Install new redundant wet well level instrumentation
- Upgrade electrical and supervisory control and data acquisition (SCADA) associated with the proposed improvements

Prairie Creek Lift Station Improvements

- Separate the dry well from the electrical room and add air conditioning for the electrical room
- Install push-pull ventilation system in the dry well
- Install combustible gas detection and H₂S gas sensors in the existing dry well

- Replace the existing passive odor control system with an active carbon system
- Replace the existing strap-on flow meter with an electromagnetic flow meter
- Upgrade electrical and SCADA associated with the proposed improvements

Renner Road Lift Station Improvements

- Separate the dry well from the electrical room and add air conditioning for the electrical room
- Install push-pull ventilation system installation in the dry well
- Install combustible gas detection and H₂S gas sensors in the existing dry well
- Replace the existing 24-inch discharge header gate valve
- Replace 24-inch billing flow meter
- Upgrade electrical and SCADA associated with the proposed improvements

BASIC SERVICES

- Preliminary design report
- Preliminary Opinion of Probable Construction Cost (OPCC)
- 30% design drawings

SPECIAL SERVICES

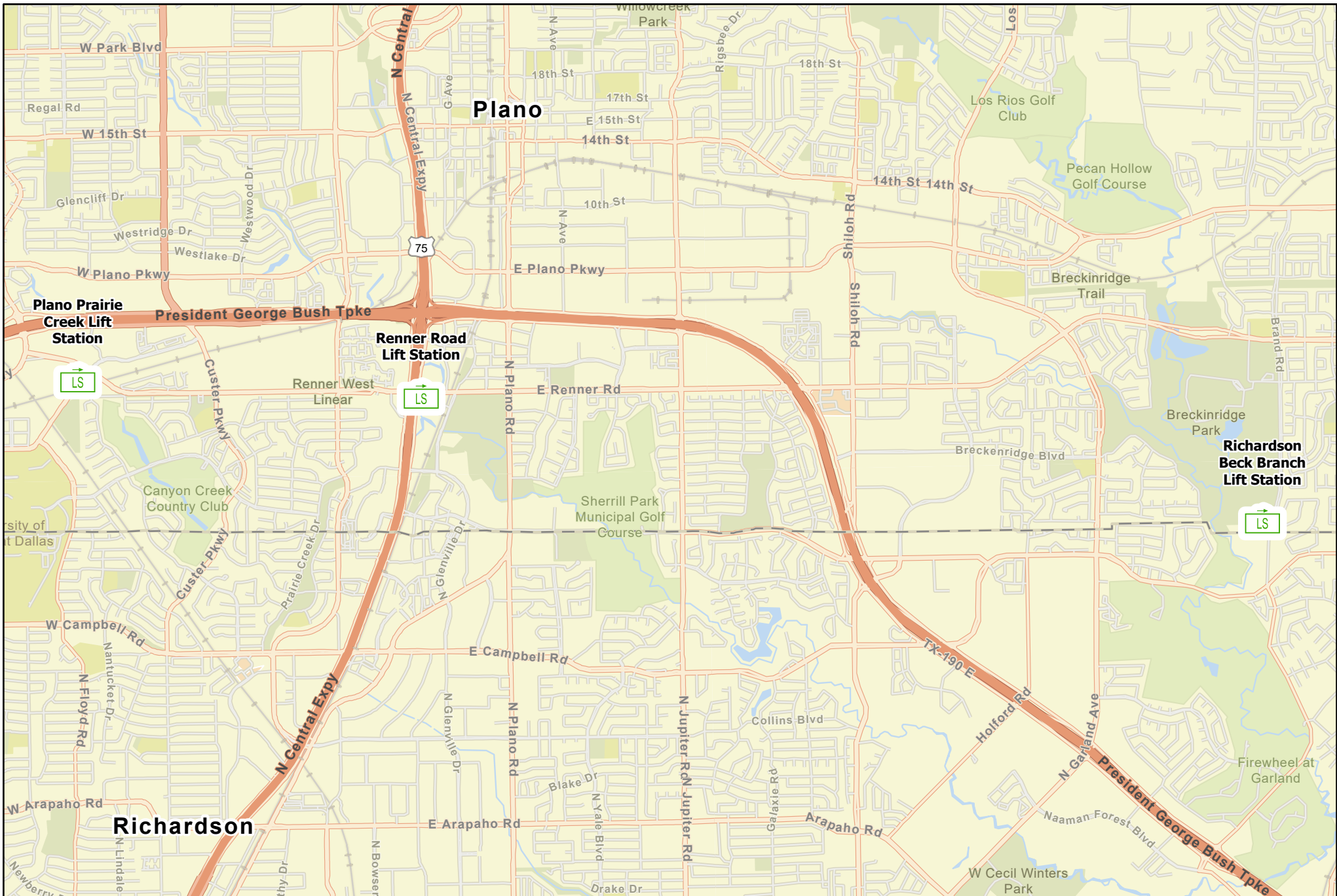
- Topographic Survey
- Geotechnical investigation and report

ENGINEERING SERVICES FEE

DESCRIPTION	AMOUNT
Basic Services	\$418,263
Special Services	\$16,900
Requested Amount	\$435,163

FUNDING

FUND(S): Funding in the amount of \$435,163 to Wade Trim, Inc. is to be made available from the Upper East Fork Interceptor System 2020 Construction Fund.



Upper East Fork Interceptor System
Beck Branch, Prairie Creek, and Renner Road Lift Stations Improvements
Project No. 501-0616-22
Administrative Memorandum No. 5864



NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5865

UPPER EAST FORK INTERCEPTOR SYSTEM PRINCETON LIFT STATION EXPANSION PROJECT NO. 501-0617-22

ENGINEERING SERVICES AGREEMENT

ACTION (*What*)

Authorize a preliminary engineering services agreement to prepare a conceptual design and capital improvement plan to serve the needs of the Princeton sub-basin.

PURPOSE (*Why*)

The City of Princeton is experiencing rapid growth and additional wastewater conveyance capacity is needed to meet expected flow projections. This study will provide capital improvement plan recommendations for both short-term and long-term projects based on alternatives evaluation and life-cycle costs.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors authorize the Executive Director to execute an engineering services agreement as follows:

Consultant: AECOM Technical Services, Inc.

Scope: Preliminary Engineering Design

Project: No. 501-0617-22, Princeton Lift Station Expansion

Amount: \$1,140,000

Strategic Objectives: 1.2: Successfully Deliver Capital Program, and 1.4: Reliable and Resilient Systems

This item was discussed at the August 24, 2022, Wastewater Committee meeting.

DRIVER(S) FOR THIS PROJECT

<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

BACKGROUND

- The Upper East Fork Interceptor System (UEFIS) Capacity Assurance evaluated options to optimize the UEFIS region-wide improvements and provided preliminary recommendations for the Princeton sub-basin.
- Additional alternatives and life-cycle cost evaluation is needed to recommend system conveyance projects to meet the short-term and long-term needs of the Princeton service area.

PROJECT PURPOSE

- Develop a conceptual design report and capital improvements plan to evaluate the UEFIS Capacity Assurance recommendations and additional alternatives in order to define the short-term and long-term improvements, costs, and implementation schedule to meet the needs of the Princeton service area.

PROJECT COMPONENTS

- Evaluation of short-term capacity improvement options for the existing Princeton Lift Station conveying wastewater flows to the Wilson Creek Regional Wastewater Treatment Plant (RWWTP).
- Evaluation of long-term capacity improvement options of the existing Princeton Lift Station re-directing and conveying wastewater flows to the Sister Grove Regional Water Resource Recovery Facility (RWRRF) while maintaining the ability to continue to convey flows to Wilson Creek RWWTP.
- Evaluation of siting for a new South Princeton Lift Station having a capacity between 50 to 75 million gallons per day (MGD) dependent upon inclusion of peak flow storage
- Evaluation of siting for a new North Princeton Lift Station having a capacity between 38 to 113 MGD dependent upon inclusion of peak flow storage.
- Evaluation of required force main corridors for conveyance from the Princeton sub-basin to the Sister Grove RWRRF.
- Evaluation options for conveyance and a potential wastewater treatment plant located on the peninsula of Lake Lavon.
- Development of a hydraulic model to analyze the proposed improvements including flows pumped to the Sister Grove RWRRF.
- Development of life cycle improvement costs.
- Development of a phasing and implementation plan.

BASIC SERVICES

- Conceptual Design Report and Capital Improvements Plan
- Preliminary Opinions of Probable Construction Costs (OPCC's) and Life Cycle Costs Analysis

SPECIAL SERVICES

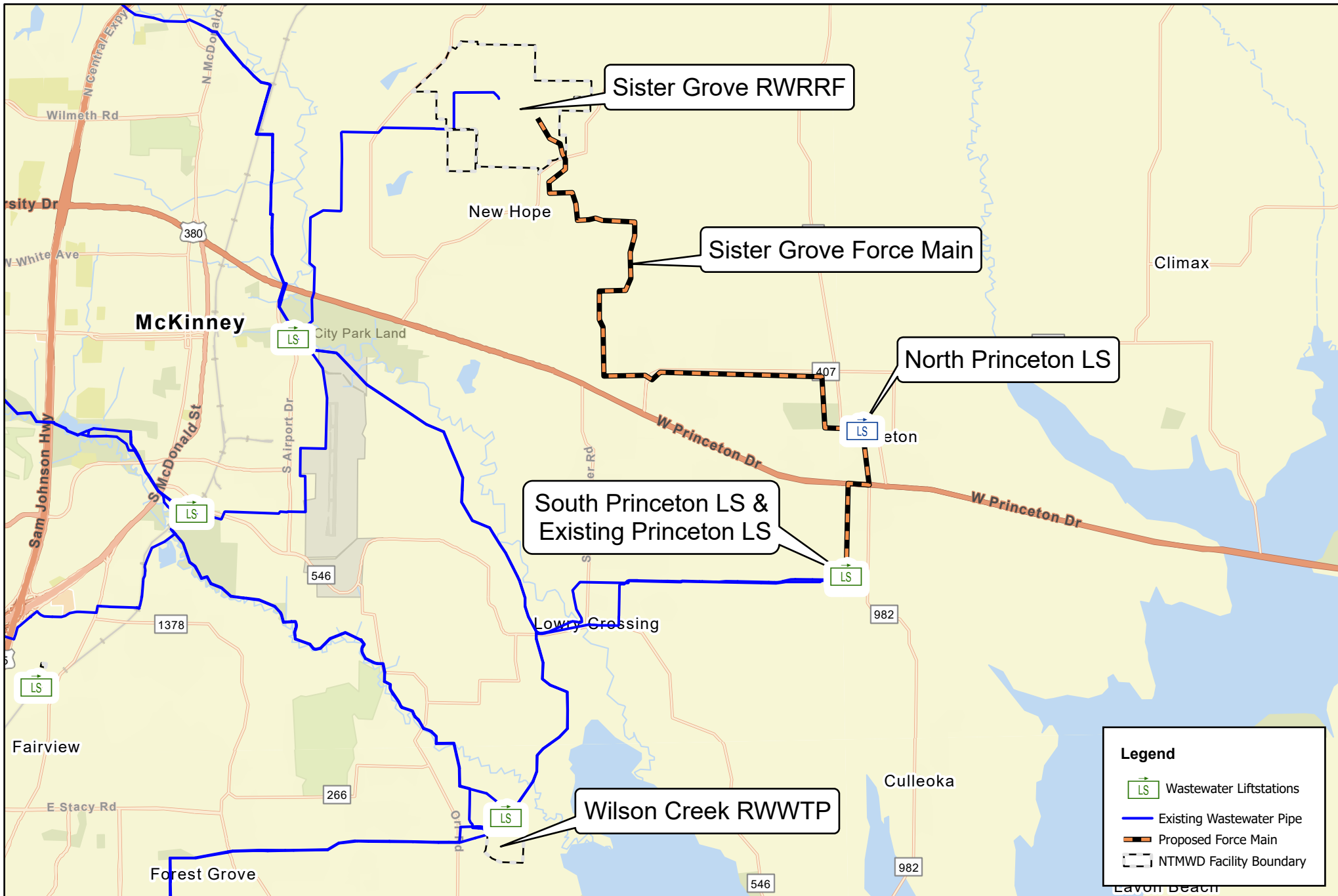
- Evaluation of up to three (3) additional improvement scenarios and sub-options

ENGINEERING SERVICES FEE

DESCRIPTION	AMOUNT
Basic Services	\$1,010,000
Special Services	\$130,000
Requested Amount	\$1,140,000

FUNDING

FUND(S): Funding in the amount of \$1,140,000 to AECOM Technical Services Inc. is to be made available in the Upper East Fork Interceptor System 2020 Construction Fund.



**Upper East Fork Interceptor System
Princeton Lift Station Expansion
Project No. 501-0617-22
Administrative Memorandum No. 5865**



NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5866

UPPER EAST FORK INTERCEPTOR SYSTEM
SLOAN CREEK FORCE MAIN
PROJECT NO. 501-0523-18

TABULATION OF BIDS AND AWARD OF CONTRACT AND INSPECTION SERVICES AGREEMENT

ACTION (*What*)

Award a construction contract and inspection agreement for the Sloan Creek Force Main project.

PURPOSE (*Why*)

Construct a new force main and gravity sewer to serve the projected growth within the City of Allen and the Town of Fairview.

RECOMMENDATION

The Executive Director, NTMWD staff and Cobb, Fendley & Associates, Inc., recommend the Board of Directors authorize the award of a contract as follows:

Contract: Construction Contract: Wilson Contractor Services, LLC
Inspection Services Agreement: TEC Consulting, LLC

Scope: Construction and Inspection Services

Project: No. 501-0523-18, Sloan Creek Force Main

Amount: Construction Contract: \$11,221,632.85
Inspection Services Agreement (outsourced): \$ 434,700.00

Strategic Objectives: 1.2 Successfully Deliver Capital Program
1.4 Reliable and Resilient System

This was a discussion item at the August 24, 2022, Wastewater Committee meeting.

DRIVER(S) FOR THIS PROJECT

<input type="checkbox"/> Regulatory Compliance	<input type="checkbox"/> Asset Condition
<input checked="" type="checkbox"/> Capacity	<input type="checkbox"/> Redundancy/Resiliency
<input checked="" type="checkbox"/> Relocation or External Requests	<input type="checkbox"/> Operational Efficiency
<input type="checkbox"/> Safety	<input type="checkbox"/> Administrative
<input type="checkbox"/> Policy	<input type="checkbox"/> Other _____

BACKGROUND

- An interlocal agreement (ILA) among NTMWD, City of Allen, and Town of Fairview was approved by the Board in December 2018 under Administrative Memorandum No. 5316. Per the interlocal agreement:
 - The City of Allen and Town of Fairview will jointly fund the cost associated with the design and construction of a proposed lift station.
 - NTMWD will fund the design and construction of the force main.
 - NTMWD will oversee the design and construction of the lift station and force main.
 - NTWMD will own and operate the lift station and force main.
- The Board awarded construction of the lift station to Archer Western Construction, LLC, in December 2021 under Administrative Memorandum No. 5792.

PROJECT PURPOSE

- Provide wastewater service to the rapidly growing areas of the Town of Fairview and the City of Allen with a 10 million gallon per day (approximate capacity) lift station and pipeline to meet flow projections.

PROJECT COMPONENTS

- Approx. 5,100 linear feet (LF) of 12-inch wastewater force main
 - Approx. 5,100 LF of 24-inch wastewater force main
 - Approx. 9,300 LF of 30-inch gravity interceptor
 - Approx. 1,300 LF of 8-inch water line to deliver water to the Sloan Creek Lift Station
 - Associated manholes and appurtenances
-

TABULATION OF BIDS

Sealed bids for construction were received at 2:00 p.m. on August 24, 2022, as tabulated below:

Bidder	Total Bid	Recommendation
Wilson Contractor Services, LLC	\$11,221,632.85	Lowest responsible bid Recommended for Award
CSE W-Industries, Inc.	\$13,318,753.99	
McKee Utility Contractors, Inc.	\$14,167,364.00	
Western Municipal Construction of Texas, LLC	\$14,790,671.00	
Mountain Cascade of Texas, LLC	\$16,149,529.00	
Resicom, Inc.	\$18,554,995.00	
ENGINEER'S OPINION OF PROBABLE COST	\$10,129,910.00	

LOWEST RESPONSIBLE BIDDER HISTORY

Wilson Contractor Services, LLC is near substantial completion for a similar project for NTMWD:

- Project No. 501-0454-17, Indian Creek Force Main No 2, Phase III McKamy Trail and Air Release Valves (24-inch HDPE pipe)

Wilson Contractor Services, LLC was founded in 2001. Wilson Contractor Services, LLC has completed the following similar HDPE pipe projects over the last four years:

- City of Rowlett, Texas - Miller Road Force Main and Gravity Sewer (\$6.23 million)
7,700 LF of 20-inch HDPE Pipe and 1,300 LF of 24-inch polyvinyl chloride (PVC)
- City of Lake Worth, Texas - Lake Worth Force Main (\$2.45 million)
8,000 LF of 18-inch HDPE pipe which includes 1,050 LF of 30-inch steel encasement
- City of Plano, Texas - Peachtree and Laurel Lane Sanitary Sewer Interceptor (\$1.60 million)
2,300 LF of 20-inch HDPE pipe and 215 LF of 30-inch steel encasement

Based on their standing as lowest responsible bidder, the information provided, reports by the supplied references, and history of successful project completion, the NTMWD staff and Cobb, Fendley & Associates, Inc. recommend award of the contract to Wilson Contractor Services, LLC.

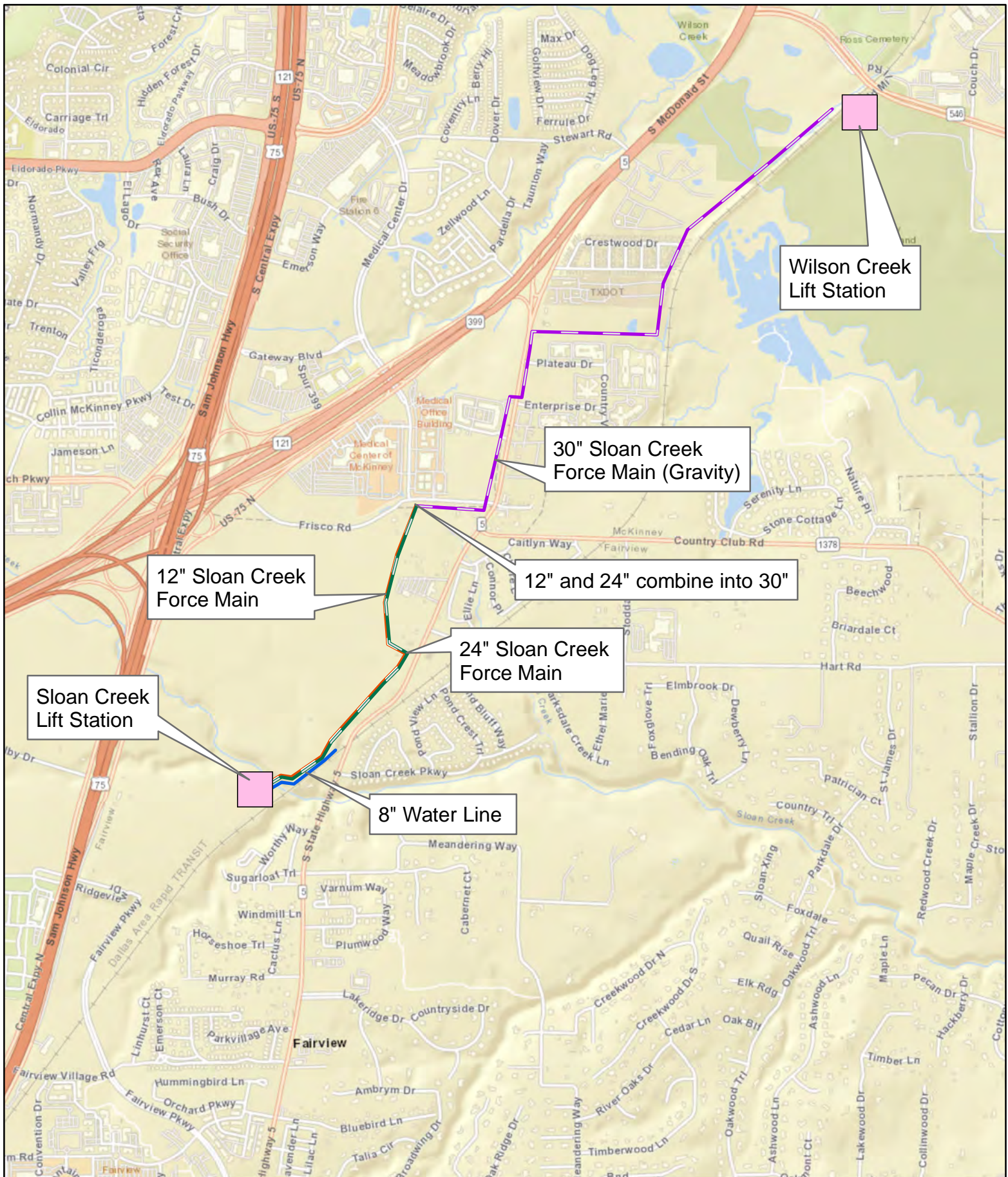
INSPECTION SERVICES AGREEMENT

INSPECTION SERVICES FEE

- NTMWD normally provides inspection services for the NTMWD projects. However, due to current project workload, the NTMWD staff recommends that TEC Consulting, LLC (TEC) be retained to provide full-time inspection services. TEC is currently providing inspection services for the NTMWD Project No. 501-0521-18, the Sloan Creek Lift Station construction. The Sloan Creek Lift Station will tie into the Sloan Creek Force Main.
- TEC has proposed to provide approximately 4,140 hours of inspection services, at a rate of \$105 per hour, resulting in the amount of \$434,700.00. These services are for the entire project duration, anticipated to be 18 months. NTMWD staff will oversee the actions of the contracted personnel.
- NTMWD staff has reviewed the hourly rate and maximum hour projection proposed by TEC and recommends them as representative of the anticipated effort.

FUNDING

FUND(S): Funding in the amount of \$11,221,632.85 to Wilson Contractor Services, LLC and \$434,700.00 to TEC Consulting, LLC is to be made available utilizing the Upper East Fork Interceptor System Extendable Commercial Paper (ECP) Program as the appropriation source; actual issuance of ECP is to occur as cash needs arise.



**Upper East Fork Interceptor System
Sloan Creek Force Main
Project No. 501-0523-18
Administrative Memorandum No. 5866**



NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5867

REGIONAL WATER SYSTEM WATERLINE RELOCATIONS ALONG STATE HIGHWAYS IN DALLAS, ROCKWALL AND KAUFMAN COUNTIES PROJECT NO. 101-0607-22

RESOLUTION NO. 22-44

RIGHT-OF-WAY ACQUISITION PROGRAM

ACTION (*What*)

Authorize funding and resolution to acquire permanent and temporary easements needed for the Waterline Relocations along State Highways in Dallas, Rockwall and Kaufman Counties.

PURPOSE (*Why*)

Texas Department of Transportation is preparing to widen various state roads within Dallas, Rockwall and Kaufman counties. These projects will encroach upon existing NTMWD water lines and easements, requiring the relocation or protection of water lines and other facilities.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors:

- 1) Authorize the Executive Director to execute a right-of-way acquisition program for the Waterline Relocations Along State Highways in Dallas, Rockwall, and Kaufman Counties, Project No. 101-0607-22, in the amount of \$200,000; and,
- 2) Adopt Resolution No. 22-44, *“A Resolution Authorizing the Use of Eminent Domain to Acquire Right-of-Way for the Waterline Relocations Along State Highways in Dallas, Rockwall, and Kaufman Counties, Project No. 101-0607-22, and Delegating the Authority to Initiate Condemnation Proceedings to the NTMWD Executive Director.”*

Consultant: N/A

Scope: Right-of-way acquisition and the necessary support services to facilitate purchasing of permanent and temporary easements for the project

Project: Project No. 101-0607-22, Waterline Relocations along State Highways in Dallas, Rockwall, and Kaufman Counties

Amount: \$200,000

Strategic Objective: 1.4 Reliant and Resilient Systems

This item is on the September 21, 2022, Real Estate Committee meeting agenda.

DRIVER(S) FOR THIS PROJECT

- | | |
|---|--|
| <input type="checkbox"/> Regulatory Compliance | <input type="checkbox"/> Asset Condition |
| <input type="checkbox"/> Capacity | <input checked="" type="checkbox"/> Redundancy/Resiliency |
| <input checked="" type="checkbox"/> Relocation or External Requests | <input checked="" type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety | <input type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy | <input type="checkbox"/> Other _____ |

PROJECT PURPOSE

- Texas Department of Transportation (TxDOT) is planning eight different road improvement projects in Dallas, Rockwall and Kaufman counties that will encroach upon existing NTMWD water line easements.
- **In Dallas County, one project will be the expansion of the southern frontage road along US 80 between Interstate 635 and Beltline Road.** A portion of the Mesquite Hailey to Forney 36-inch water line must be relocated to accommodate the road widening.
- Several other portions are currently being evaluated with this one being of higher priority for TxDOT. Additional portions of this project will be brought for approval as TxDOT finalize plans for other road improvements.
- Approximately 0.42 acres of permanent and 0.61 acres of temporary easements are recommend for acquisition as described in Exhibit "A" (line list).

SUPPORT SERVICES

- Employ the firm of Saunders, Walsh & Beard, Attorneys & Counselors, to act as counsel on the acquisition of the properties.
- Employ an appraiser to provide appropriate reports.
- Employ a title company to provide professional services related to certain property ownership issues.
- Employ survey services to perform title survey for purchase and acquisition, and verify property lines and potential easement locations when necessary.
- Employ contracted land agents, coordinators, and/or acquisition company(s) to assist in transaction management and easement acquisition.

FUNDING

FUND(S): Funding in the amount of \$200,000 is to be made available in the Regional Water System Capital Improvement Fund. The District anticipates partial reimbursement by TxDOT for this project.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 22-44

A RESOLUTION AUTHORIZING THE USE OF EMINENT DOMAIN TO ACQUIRE RIGHT-OF-WAY FOR THE WATERLINE RELOCATIONS ALONG STATE HIGHWAYS IN DALLAS, ROCKWALL, AND KAUFMAN COUNTIES, PROJECT NO. 101-0607-22, AND DELEGATING AUTHORITY TO INITIATE CONDEMNATION PROCEEDINGS TO THE NTMWD EXECUTIVE DIRECTOR

WHEREAS, the NTMWD Board of Directors previously authorized the Engineering Services Agreement for the Waterline Relocations Along State Highways in Dallas, Rockwall and Kaufman Counties, Project No. 101-0607-22 (Project), by Administrative Memorandum No. 5807; and,

WHEREAS, Texas Department of Transportation (TxDOT) is planning eight different road improvement projects in Dallas, Rockwall and Kaufman counties that will encroach upon existing NTMWD water line easements; and,

WHEREAS, in Dallas County, one project will be the expansion of the southern frontage road along US 80 between Interstate 635 and Beltline Road; and,

WHEREAS, a portion of the Mesquite Hailey to Forney 36" water line must be relocated to accommodate the road widening; and,

WHEREAS, additional portions of this project will be brought for approval as TxDOT finalized plans for other road improvements; and,

WHEREAS, it is necessary to proceed with the acquisition of easements for construction, operation and maintenance of the Project improvements; and

WHEREAS, it may be necessary to acquire the property required for the Project through the use of eminent domain in the event negotiations are unsuccessful; and,

WHEREAS, it may be necessary to hire contracted land agents or acquisition companies, appraisers, and attorneys, in order to negotiate easements required for the Project; and,

WHEREAS, adequate funds in the amount of \$200,000 for project 101-0607-22 is available in the Regional Water System Capital Improvement Fund for the acquisition of properties needed for the Project.

NOW, THEREFORE, THE BOARD OF DIRECTORS IN A REGULAR MEETING DETERMINES AND RESOLVES THAT:

1. There is a public need for and that the public welfare and convenience are to be served by the acquisition of property to allow for additional facilities, associated with the Waterline Relocations Along State Highways in Dallas, Rockwall and Kaufman Counties, Project No. 101-0607-22.
2. It is in the best interest and is necessary to acquire approximately 0.42 acres in permanent easement, and 0.61 acres in temporary easement for the Project and across the properties described in Exhibit "A" attached hereto, and incorporated by reference herein, to provide

the required working area for prosecution of the work, and operation and maintenance of the facilities.

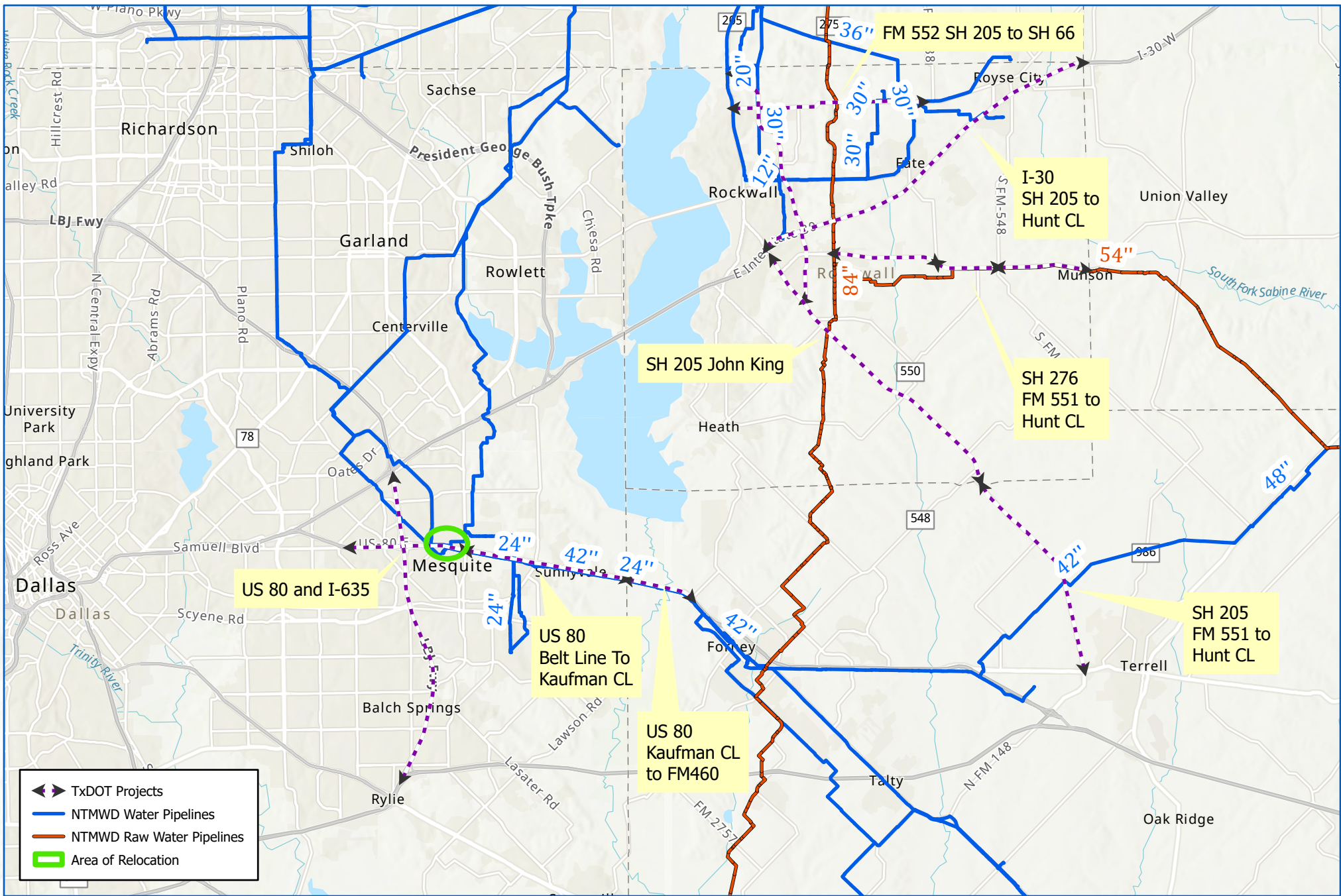
3. The Executive Director is authorized to employ surveyors to assist in the acquisition process, as required.
4. The power to initiate eminent domain proceedings is hereby delegated to the Executive Director and he is hereby authorized to take all steps necessary to acquire the easements for the Project; including the hiring of negotiators, transaction managers, appraisers, surveyors, Title Company, and attorneys.
5. The Executive Director is authorized to employ the firm of Saunders, Walsh & Beard, Attorneys and Counselors, to represent the NTMWD in these land transactions, including filing of Petitions for Condemnation on properties when the Executive Director determines the property cannot be secured through negotiations and after issuance of a final offer letter in accordance therewith.
6. A budget of \$200,000 is authorized for this land acquisition program.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON SEPTEMBER 22, 2022, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.

GEORGE CRUMP, Secretary

JACK MAY, President

(SEAL)



Regional Water System
Waterline Relocations along State Highways in
Dallas, Rockwall, and Kaufman Counties
Project No. 101-0607-22
Administrative Memorandum No. 5867

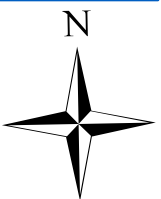


EXHIBIT "A"

REGIONAL WATER SYSTEM
WATERLINE RELOCATIONS ALONG STATE HIGHWAYS IN
DALLAS, ROCKWALL AND KAUFMAN COUNTIES
PROJECT NO. 101-0607-22

LINE LIST

Parcel No.	Property Owner	Permanent Easement (Acres)	Temporary Easement (Acres)
01	Wal-Mart Real Estate Business Trust	0.42	0.61
TOTAL ACREAGE		0.42	0.61

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEPTEMBER 2022

ADMINISTRATIVE MEMORANDUM NO. 5868

REGIONAL WASTEWATER SYSTEM
ROWLETT CREEK REGIONAL WASTEWATER TREATMENT PLANT
ADMINISTRATION BUILDING
PROJECT NO. 301-0524-19

ROWLETT CREEK REGIONAL WASTEWATER TREATMENT PLANT
PEAK FLOW MANAGEMENT IMPROVEMENTS, PHASE II
PROJECT NO. 301-0471-17

RESOLUTION NO. 22 – 45

PROPERTY ACQUISITION PROGRAM

ACTION (*What*)

Authorize funding and resolution to amend previously approved property acquisition program to acquire additional property for Rowlett Creek Regional Wastewater Treatment Plant (RCRWWTP) and also authorize the acquisition of temporary construction easements.

PURPOSE (*Why*)

NTMWD must acquire land abutting RCRWWTP site with existing zoning that allows for the development of an Administration building. NTMWD must also acquire temporary construction easements near the RCRWWTP site to upsize an existing outfall pipeline.

RECOMMENDATION

The Executive Director and NTMWD staff recommend the Board of Directors:

- 1) Authorize the Executive Director to amend a previously approved property acquisition program for the Rowlett Creek Regional Wastewater Treatment Plant Administration Building, Project No. 301-0524-19, to add property and provide additional funding in the amount of \$1,200,000, resulting in the total authorization of \$3,136,286; and,
- 2) Authorize the Executive Director to execute a property acquisition program for the Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase II, Project No. 301-0471-17, with a budget of \$50,000; and
- 3) Adopt Resolution No. 22-45, *“A Resolution Authorizing the Use of Eminent Domain to Acquire Property for the Rowlett Creek Regional Wastewater Treatment Plant Administration Building, Project No. 301-0524-19 and the Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase II, Project No. 301-0471-17, and Delegating Authority to Initiate Condemnation Proceedings to the NTMWD Executive Director.”*

Consultant: N/A

Scope: Land acquisition and the necessary support services

Project: Project No. 301-0524-19 and Project No. 301-0471-17

Amount: Project No. 301-0524-19: \$1,200,000 in additional funding;
Project No. 301-0471-17: \$ 50,000 in initial funding

Strategic Objective: 1.2 Successfully Deliver Capital Program

This will be an item on the September 21, 2022, Real Estate Committee agenda.

DRIVER(S) FOR THIS PROJECT

- | | |
|--|--|
| <input type="checkbox"/> Regulatory Compliance | <input checked="" type="checkbox"/> Asset Condition |
| <input checked="" type="checkbox"/> Capacity | <input type="checkbox"/> Redundancy/Resiliency |
| <input type="checkbox"/> Relocation or External Requests | <input checked="" type="checkbox"/> Operational Efficiency |
| <input type="checkbox"/> Safety | <input type="checkbox"/> Administrative |
| <input type="checkbox"/> Policy | <input type="checkbox"/> Other _____ |

PROJECT PURPOSE

- Ad Memo 5360, Resolution 19-10 approved a land acquisition program for Project No. 301-0524-19, RCRWWTP to construct an Administration building (AB), provide for construction laydown areas, and eliminate existing encroachments.
- NTMWD acquired property abutting RCRWWTP from City of Plano, zoned Agricultural (Ag).
- Attempts to rezone the parcel, or obtain a special use permit or variance were unsuccessful.
- Building permits will not be issued to construct office space on property with Ag zoning.
- An unimproved, abutting lot is zoned Neighborhood Office (O-1), allowing for the AB.
- Approximately 3.79 acres of land is required, as described in Exhibit "A" (line list).
- Additional funding of \$1,200,000 is being requested, resulting in a total budget of \$3,136,286.
- Project No. 301-0471-17, RCRWWTP Peak Flow Management Improvements, Phase II, increases the peak flow capacity of the plant from 77.5 MGD to 95 MGD.
- The three existing outfall pipelines (OP) are insufficient to accommodate the additional peak flows.
- One OP will be upsized to an 84-inch pipe within the existing permanent easement.
- Approximately 1.43 acres of temporary easements are required, as described in Exhibit "A" (line list).

SUPPORT SERVICES

- Employ the firm of Saunders, Walsh & Beard, Attorneys & Counselors, to act as counsel on the acquisition of easements.
- Employ an appraiser to provide appropriate reports.
- Employ a title company to provide professional services related to certain property ownership issues.
- Employ survey services to perform title survey for purchase and acquisition, and verify property lines and potential easement locations when necessary.

FUNDING

FUND(S): Funding in the amount of \$1,200,000 for Project No. 301-0524-19 and \$50,000 for Project No. 301-0471-17 is to be made available utilizing the Regional Wastewater System Extendable Commercial Paper (ECP) Program as the appropriation source; actual issuance of ECP notes will occur as cash needs arise.

NORTH TEXAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 22-45

A RESOLUTION AUTHORIZING THE USE OF EMINENT DOMAIN TO ACQUIRE PROPERTY FOR THE ROWLETT CREEK REGIONAL WASTEWATER TREATMENT PLANT ADMINISTRATION BUILDING, PROJECT NO. 301-0524-19, AND THE ROWLETT CREEK REGIONAL WASTEWATER TREATMENT PLANT PEAK FLOW MANAGEMENT IMPROVEMENTS, PHASE II, PROJECT NO. 301-0471-17, AND DELEGATING AUTHORITY TO INITIATE CONDEMNATION PROCEEDINGS TO THE NTMWD EXECUTIVE DIRECTOR

WHEREAS, the NTMWD Board of Directors authorized the prior land acquisition in February 2019, Administrative Memorandum No. 5630 and Resolution No. 19-10 for Project No. 301-0524-19; and,

WHEREAS, NTMWD acquired land from City of Plano (Plano) with Agricultural (A) zoning, abutting Rowlett Creek Regional Wastewater Treatment Plant (RCRWWTP); and,

WHEREAS, building permits will not be issued for construction of an Administration building on land zoned Agricultural (A); and,

WHEREAS, requests to change zoning, obtain a specific use permit, and obtain a variance were unsuccessful; and,

WHEREAS, an unimproved lot abutting the RCRWWTP is zoned Neighborhood Office (O-1), which allows for the construction of the Administration building; and,

WHEREAS, RCRWWTP Peak Flow Management Improvements, Phase II, increases the peak flow capacity of the plant from 77.5 MGD to 95 MGD; and,

WHEREAS, the three existing outfall pipelines (OP) cannot accommodate the new peak flows; and,

WHEREAS, one OP will be upsized to an 84-inch pipe within the existing permanent easement; and,

WHEREAS, it is necessary to proceed with the acquisition of land and temporary easements required for the construction, operation, and maintenance of the improvements for each Project; and,

WHEREAS, it may be necessary to acquire the property required for the Projects through the use of eminent domain in the event negotiations are unsuccessful; and,

WHEREAS, it may be necessary to hire surveyors, appraisers, and attorneys in order to negotiate the acquisitions for the Projects; and,

WHEREAS, additional funding for Project No. 301-0524-19 in the amount of \$1,200,000 and funding for Project No. 301-0471-17 in the amount of \$50,000 is to be made available utilizing the Regional Wastewater System Extendable Commercial Paper (ECP) Program as the appropriation source; actual issuance of ECP notes will occur as cash needs arise.

NOW, THEREFORE, THE BOARD OF DIRECTORS IN A REGULAR MEETING DETERMINES AND RESOLVES THAT:

1. There is a public need for and that the public welfare and convenience are to be served by the construction associated with the Rowlett Creek Regional Wastewater Treatment Plant Administration Building, Project No. 301-0524-19, and Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase II, Project No. 301-0471-17.
2. It is in the best interest and is necessary to acquire approximately 3.79 acres of land for Project 301-0524-19 and approximately 1.43 acres of temporary easement for Project 301-0471-17, and across the properties described in Exhibit "A" attached hereto, and incorporated by reference herein, to provide the required working area for prosecution of the work, and operation and maintenance of the facilities.
3. The Executive Director is authorized to employ surveyors to assist in the acquisition process, as required.
4. The power to initiate eminent domain proceedings is hereby delegated to the Executive Director and she is hereby authorized to take all steps necessary to acquire the property for the Projects; including the hiring of appraisers, Title Company, and attorneys.
5. The Executive Director is authorized to employ the firm of Saunders, Walsh & Beard, Attorneys and Counselors, to represent the NTMWD in these property transactions; including filing of Petitions for Condemnation on properties when the Executive Director determines the property cannot be secured through negotiations and after issuance of a final offer letter in accordance therewith.
6. Additional funding in the amount of \$1,200,000 is authorized for this property acquisition program, resulting in a total authorized funding of \$3,136,286 for this Project, and funding in the amount of \$50,000 is authorized for this right-of-way acquisition program.

THIS RESOLUTION ADOPTED BY THE NTMWD BOARD OF DIRECTORS IN A REGULAR MEETING ON SEPTEMBER 22, 2022, IN THE ADMINISTRATIVE OFFICES OF THE NTMWD, WYLIE, TEXAS.

GEORGE CRUMP, Secretary

JACK MAY, President

(SEAL)

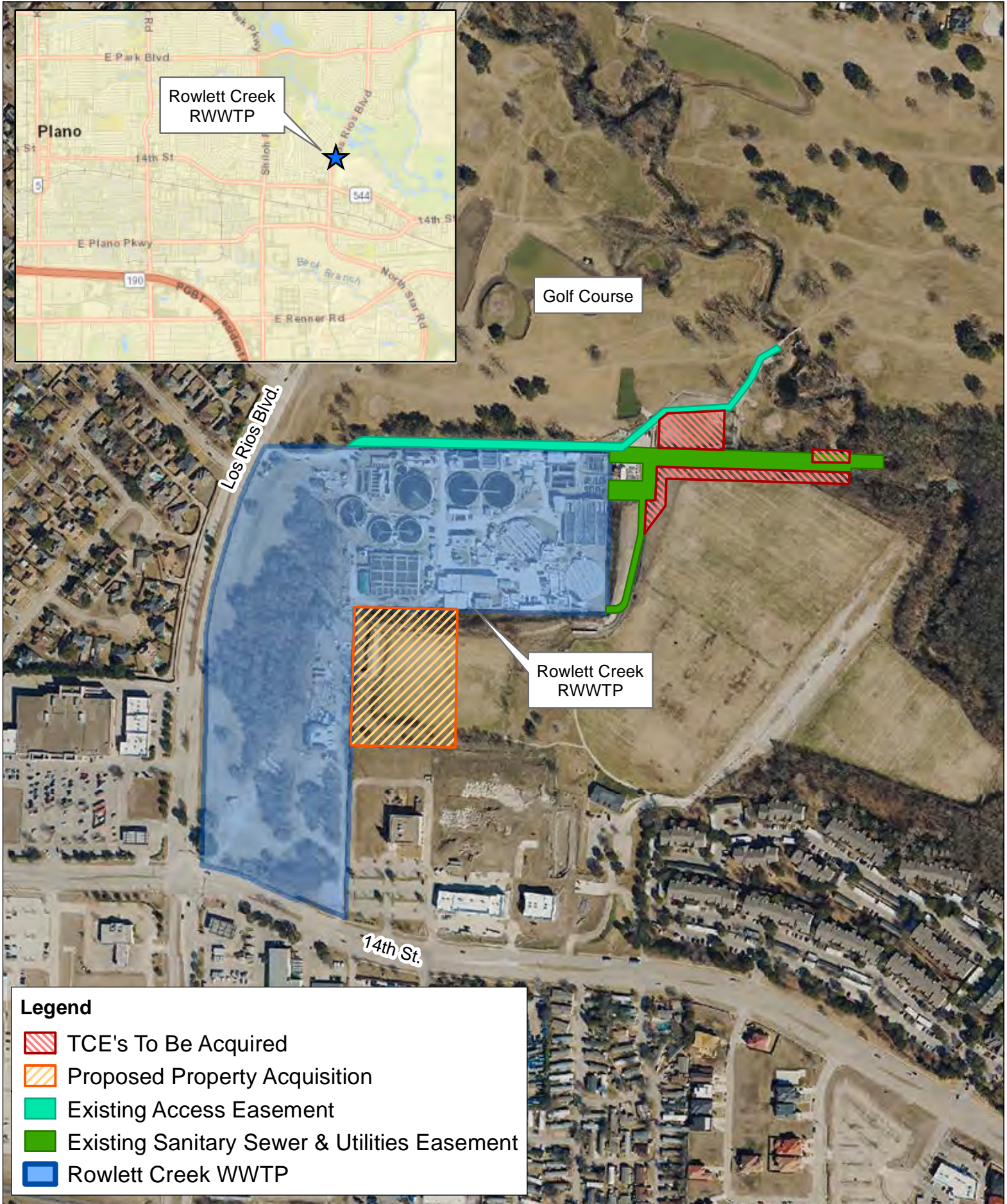
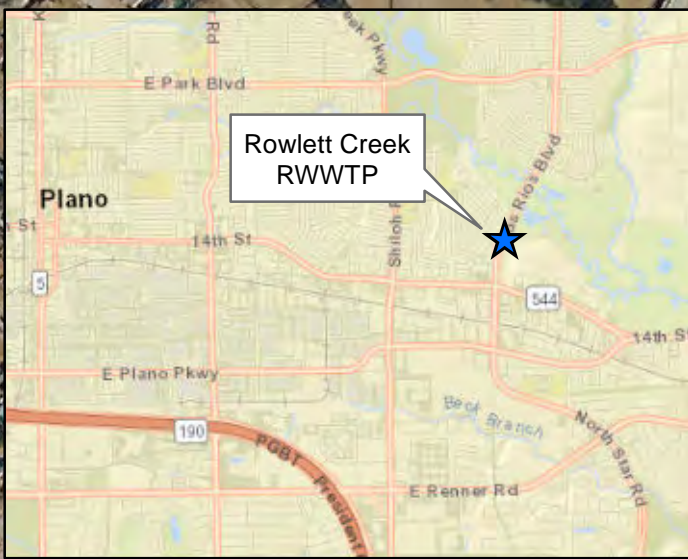


EXHIBIT "A"

REGIONAL WASTEWATER SYSTEM
ROWLETT CREEK REGIONAL WASTEWATER TREATMENT PLANT
ADMINISTRATION BUILDING
PROJECT NO. 301-0524-19

LINE LIST

Parcel No.	Property Owner	Fee Simple (Acres)
01	4401 PIT LLC	3.79
SUBTOTAL		3.79

REGIONAL WASTEWATER SYSTEM
ROWLETT CREEK REGIONAL WASTEWATER TREATMENT PLANT
PEAK FLOW MANAGEMENT IMPROVEMENTS, PHASE II
PROJECT NO. 301-0471-17

LINE LIST

Parcel No.	Property Owner	Temporary Easement (Acres)
01	4401 PIT LLC	0.35
02 & 03	City of Plano	0.51
03	City of Plano	0.57
SUBTOTAL		1.43