



NORTH TEXAS MUNICIPAL WATER DISTRICT

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

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OCTOBER 27, 2022

The North Texas Municipal Water District (NTMWD) Board of Directors met in a regular meeting on Thursday, October 27, 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 John Sweeden 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		

	DIRECTORS	ABSENT	REMOTE
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	Peasley, Richard		
19	Roland, Randy		
20	Shuyler, Lynn	√	
21	Stephens, Keith		
22	Sutherland, Jody		
23	Sweeden, John		
24	Thompson, Larry		

The following NTMWD legal and professional consultants attended the meeting:

- Lauren Kalisek, Sara Thornton – Lloyd Gosselink Rochelle & Townsend
- Nick Bulaich – Hilltop Securities
- Molly Carson – McCall, Parkhurst & Horton

VI. OPENING REMARKS

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

President May advised that the District was saddened to learn that former Director, John Murphy, passed away earlier this month. Director Murphy retired from the Board of Directors in June of this year after being appointed by the City of Richardson in 2013.

President May thanked everyone who was able to attend the Bois d'Arc Lake Dedication, adding that Staff did a great job on the event.

President May noted that with the holidays approaching, the November and December Board meetings will be held on the third Thursday of each of these months.

President May reviewed the tentative list of meetings for November is as follows:

- Wednesday, November 2nd - Executive and Finance Committees

- Thursday, November 10th- Long Range Water Supply Work Session
- Wednesday, November 16th- Solid Waste, Real Estate, and Water Committees
- Thursday, November 17th- Board meeting

Staff is currently looking at an alternate date for the Long Range Water Supply Work Session. Director Murphy's funeral services are being held the same day.

- 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 Covington spoke of the Bois d'Arc Lake Dedication event held on October 14, 2022. She noted this is the first reservoir built in Texas in over 30 years. She reviewed the staff and organizations that were instrumental in planning a successful event, noting that 300 guests attended. A video of the ceremony and groundbreaking was presented.

Executive Director Covington announced that the City of Frisco selected Director Richard Peasley to receive its distinguished Veteran of the Year recognition. He will receive the award at Frisco's November 1st City Council meeting and will participate in the Veteran's Day parade on November 12th.

Executive Director Covington advised that the Budget in Brief for the next fiscal year has been provided to each Director, and the full budget is available to the Directors if they would like a copy and it is also posted on the District's website.

Executive Director Covington reviewed the recently completed Wilson Creek Wastewater Treatment Plant electrical improvements. She noted that the District's Engineering Department has received awards for this project.

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.

Brian Galuardi representing the City of Rowlett addressed the Board regarding Rowlett's interest in becoming a Member of the District. He advised that Rowlett has been a Customer for many years and advised that they hope to submit a petition to become a Member according to the District's Enabling Legislation. He also congratulated the District on the Bois d'Arc Lake project.

VIII. DISCUSSION ITEMS

- A. Update on Sister Grove Regional Water Resource Recovery Facility

Deputy Director Cesar Baptista provided an update on the status of the Sister Grove Regional Water Resource Recovery Facility and the North McKinney Force Main and Lift Station. Location and site maps were reviewed as well as site photos. Mr. Baptista reviewed the financial status of the project, noting that approximately \$450 million has been authorized by the Board of Directors. The project schedule was provided.

B. Review of the fiscal year 2022 Regional Water System Variable Costs

Deputy Director Jeanne Chipperfield provided a review as follows of the Administration & Finance Policy, Section IV. Water Variable Cost Rebate as it was updated in August 2022:

- Board may consider a rebate of variable costs to Members and Customers who do not exceed their annual minimum for the Water Year.
- Rebate information to be reviewed at October Board Meeting and, if applicable, rebate payments placed on November Board meeting agenda.
- Total funds to be rebated calculated as the difference between the budgeted variable costs and the actual variable cost for the fiscal year. Should the variable cost budget be exceeded, then no rebate will be administered.
- Rebate funds are allocated to eligible Members and Customers based on the proportionate share of the underage on water minimums.

Ms. Chipperfield explained that the variable cost budget includes chemicals, power and certain water purchases. Two factors affected the variable costs in FY22:

- Extreme volatility in the chemical market required contract rebids; new contract price increases went into effect in June for several high usage chemicals.
- Extreme hot, dry early summer weather with unrestricted demands plus recent significant population growth significantly increased consumption in June and July.

Ms. Chipperfield advised that based on these factors, the FY22 amended budget for chemical expense was increased in July and August. At that time, it was communicated that a variable cost rebate would be unlikely due to the chemical cost increase. After that time there was a significant drop in demand following a call for conservation and rain, combined with additional chemical optimization efforts reducing actual chemical expense below levels previously anticipated. The total variable costs ended up slightly underbudget resulting in funds to be considered for rebate. Ms. Chipperfield provided a breakdown of budget and actual expense which reflects a preliminary rebate amount of approximately \$3 million, as well as an overview of consumption which dropped in the final three (3) months of the fiscal year. The list of Member Cities eligible for a variable cost rebate was reviewed.

Ms. Chipperfield advised that payment of the rebate does not negatively impact the District's fund balance. Operating and Contingency funds estimated balances were provided. If directed by the Board the rebates will be included on the Board's November agenda. President May directed her to proceed.

C. Review current fiscal year Capital projects

Deputy Director R.J. Muraski provided a comparison of the District's capital projects budget from previous years and the next six years, which is estimated at approximately \$6 billion. He advised this information is included in the District's Strategic Plan and has been provided to the cities.

Mr. Muraski provided a review of capital projects budgeted for FY22 for the Regional Water System, the Regional Wastewater System, the Upper East Fork Interceptor System and the Sewer System. Completed capital projects for FY22 were provided.

Mr. Muraski advised that for FY23 there are 24 design projects and 38 construction projects proposed. Those were reviewed. He noted that each of them must come before the Board for approval.

Discussion followed regarding the possible reimbursement of some relocation projects done at the request of TxDOT. Mr. Muraski noted that some of the smaller cities' pay for their own wastewater projects.

Location maps and project descriptions for FY23 were provided to the Directors.

A five-minute recess was taken at this time.

IX. EXECUTIVE SESSION

At 3:56 p.m. President May announced the need for an Executive Session of the Board of Directors to discuss items IX. A. on the agenda pursuant to the Texas Government Code, Section 551.071, Consultation With Attorney.

A. Update on Oklahoma Red River Boundary Commission
(Tex. Gov't Code Section 551.071)

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

Director John Carr recused himself from 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 5:33 p.m. The public teleconference line was reconnected.

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

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 Phil Dyer and a second by Director Joe Farmer, the Board of Directors voted unanimously to approve the Consent Agenda.

- A. **Approval of Regular Board Meeting Minutes - Consent Agenda Item No. 22-10-01**
 - Consider approval of September 22, 2022, Board of Directors Regular meeting minutes
- B. **Approval of Modification of Capital Projects Request - Consent Agenda Item No. 22-10-02**
 - Consider approval of October 2022 Modification of Capital Projects Request
- C. **Ratification and approval of cost of professional services incurred with the sale of the Buffalo Creek Wastewater Interceptor System Contract Revenue Bonds Series 2022 - Consent Agenda Item No. 22-10-03**
 - Consider ratification and approval of the actions of the Executive Director authorizing professional services with McCall Parkhurst & Horton in the amount of \$128,891.55 and Hilltop Securities, Inc. in the amount of \$71,961.25 for a total of \$200,852.80 for costs incurred with the sale of the Buffalo Creek Wastewater Interceptor System Contract Revenue Bonds, Series 2022
- D. **Adoption of Resolution No. 22-46 authorizing the execution of an application to the Texas Commission on Environmental Quality (TCEQ) amending Water Use Permit No. 12152 - Consent Agenda Item No. 22-10-04**
 - Consider adoption of Resolution No. 22-46 authorizing the Executive Director to file an application and necessary documents to amend Water Use Permit No. 12152 which allows NTMWD to transport water made available by the City of Dallas in Lake Tawakoni to Lake Lavon

XII. AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION

WASTEWATER AGENDA ITEMS

- A. **Authorize Change Order No. 37 and an engineering services agreement (ESA) for the Rowlett Creek Regional Wastewater Treatment Plant Peak Flow Management Improvements, Phase I project – Administrative Memorandum No. 5869**
 - Consider authorizing Change Order No. 37 with Pepper Lawson Waterworks, LLC in the amount of \$ 765,000 to replace the 304 stainless steel permeate piping to 316 stainless steel; and an ESA fee reduction in the amount of (\$322,936) for Project No. 301-0328-13, Rowlett Creek Regional Wastewater Treatment Plant (RWWTP) Peak Flow Management Improvements, Phase I

Director Ron Kelley advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize funding for a construction change order to replace the pipe material for greater corrosion resistance.

Upon a motion by Director Ron Kelley and a second by Director John Sweeden, the Board of Directors voted unanimously to approve.

SOLID WASTE AGENDA ITEMS

B. Adoption of Resolution No. 22-47 authorizing annexation and zoning processes with the City of Melissa - Administrative Memorandum No. 5870

- Consider adopting Resolution No. 22-47 authorizing the Executive Director to proceed with annexation and zoning processes with the City of Melissa for the 12.677-acre Fleet Maintenance Annex Facility property adjacent to the 121 Regional Disposal Facility for Project No. 401-0569-20, 121 Regional Disposal Facility Fleet Maintenance Facility and Fleet Maintenance Annex Facility Improvements

Director David Hollifield advised that the Real Estate Committee discussed this item at the September 21st Real Estate Committee meeting.

This item authorizes the Executive Director to proceed with annexation and zoning processes with the City of Melissa for the Fleet Maintenance Annex Facility property adjacent to the 121 Regional Disposal Facility.

Director David Hollifield made a motion to approve. Director Don Gordon seconded motion.

Director Marvin Fuller requested zoning information regarding a 9.13 tract of land reflected on the map provided. Staff responded that the land is used a screening and has a ground storage tank on the property. It is currently zoned agricultural.

The Board of Directors voted unanimously to approve Resolution No. 22-47.

XIII. CLOSING ITEMS

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

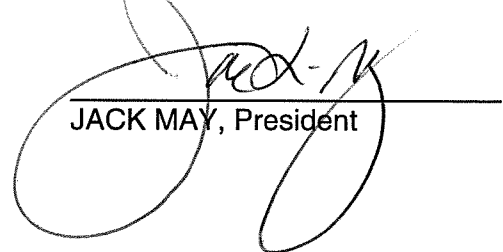
Director Randy Roland requested additional information regarding the process for becoming a Member City. Executive Director Covington responded there are plans to discuss whether the Board wants to create a policy on this after the first of next year.

Director Terry Sam Anderson inquired about a potential date for the for Long Range Supply work session and dinner that was scheduled for that day. Executive Director Covington advised there is not a firm date yet.

XIV. ADJOURNMENT

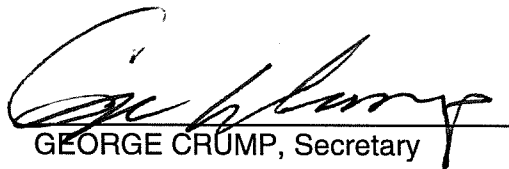
There being no further business, the meeting adjourned at approximately 5:43 p.m.

APPROVED:



JACK MAY, President

ATTEST:



GEORGE CRUMP, Secretary

