



MINUTES

UPPER TRINITY REGIONAL WATER DISTRICT BOARD OF DIRECTORS MEETING

October 1, 2015

REGULAR SESSION BOARD MEETING

1. Call to Order

The Board of Directors of the Upper Trinity Regional Water District convened, with President Vanzant presiding, at 12:45 P.M. on Thursday, October 1, 2015, at the UTRWD Board Meeting Room, 900 N. Kealy, Lewisville, TX 75057.

2. Roll Call and confirm Quorum

The attendance of the Board of Directors was taken. A quorum was present for the meeting.

Board Members in Attendance:

Lance Vanzant, President, Celina
Gary Calmes, Treasurer, Krum
Del Knowler, Bartonville
Timothy Fisher, Denton
Jean Campbell, Denton County At-Large
Kevin Mercer, DCFWSD #7
Kenneth Parr, Flower Mound
Virginia Blevins, Justin
Lathan Watts, Lewisville
Richard Huckaby, Ponder

Chris Boyd, Vice President, Mustang SUD
Ramiro Lopez, Secretary, Irving
Janet Aune, Copper Canyon
Johnny Harris, Denton County
Jerry Benetato, DCFWSD #1A
Dick Cook, Double Oak
Richard Lubke, Highland Village
Mike Fairfield, Lake Cities MUA
Scott Ingalls, Pilot Point

Absent:

Troy Norton, Argyle *
Frank Jaromin, Prosper *

Kenneth Faulkner, Aubrey *
Mike Brice, Sanger *

Vacant: Corinth

Staff & Advisors in Attendance:

Thomas E. Taylor, Executive Director
Bill Greenleaf, Director / Business Services
Jody Zabolio, Ass't Director / Operations
Lester Harris, Accounting Manager
David Medanich, Financial Advisor
Dustin Wright, MIS

John F. Boyle, Jr., General Counsel
Nancy Tam, Assistant to Executive Director
Jason Pierce, Mgr/Watershed & Contract Svc
Jan Morris, Budget Manager
Mark Skaggs, IT Administrator

Others in Attendance:

Alan Tucker, Alan Plummer Assoc., Inc.
Jeff Caffey, Alan Plummer Assoc., Inc.
Letty Gomar, Carollo Engineers
Randy Bush, MWH Global

Ignacio Cadenas, Black & Veatch
Rob Wachal, Black & Veatch
Brian Roberson, Providence Village

3. Pledge of Allegiance and Invocation

Pledge of Allegiance: Gary Calmes

Invocation: Lance Vanzant

4. Opening Remarks:

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

This week, President Vanzant, Larry Patterson and Jody Zabolio attended the Annual Water Environment Federation Conference in Chicago. It was announced that there were twenty-four thousand plus attendees at the Conference. Vanzant indicated that it was the largest show he has ever attended. It was interesting to be able to see and ask questions about services and equipment the District is thinking about acquiring in the coming years. To be able to attend was a great learning experience.

- B. Executive Director's Status Report about legislation and regulatory matters, about budgets, current projects and on-going programs of the District, including: the Regional Water System, Water Resource Development, Regional Water Reclamation Systems, Watershed Protection and Water Conservation.

Mr. Taylor reported the following:

- Regarding Lake Ralph Hall, today, a field trip is currently underway to the Lake site by Federal Agencies involved in the 404 permit. This trip is being hosted by the Corps of Engineers, with Larry Patterson and Ronna Hartt attending from the District. They are attempting to get final impressions of the remaining environmental issues that are being reviewed by the Corps.
- The District is planning its annual Employee Appreciation event. This year the District will be hosting a luncheon at noon on Saturday, December 5, at the Gaylord Texan, followed by a tour of the Christmas ice show.
- Regarding the Harpool Plant, on September 24, we had a flooding incident caused by a stuck valve, resulting in a briefed emergency shutdown. Customers were alerted to help conserve and manage water usage. We commended staff for their hard work and extraordinary effort; the Plant was put back in service within a 24-hour period.
- Regarding Riverbend Plant expansion, the District applied for financial assistance from the Texas Water Development Board. We had hoped that it would qualify for State Participation, however, because we are not building at least 10 years of capacity, the State Participation program is not the best fit. Therefore, staff is



working with TWDB to develop a bond issue that would achieve most of the benefits of State Participation, which is primarily to defer cost. We are hopeful it can be accomplished for this important project.

- C. Presentations about awards, recognitions, achievements, etc. of the District, Board Members, Member Entities and Staff.

None.

5. Visitor Comments Concerning Agenda Topics.

None.

CONSENT AGENDA

President Vanzant asked for a motion to approve the items in the Consent Agenda. **Richard Huckaby made a motion to approve the Consent Agenda Item Nos. 6-9, and requested that Item No. 10 be pulled for individual consideration. Seconded by Tim Fisher.** The votes were all Yes. Motion carried. The approved items were:

6. Adopt minutes of September 3, 2015 Board Meeting.
7. Accept Monthly Management Report for the period ended August 31, 2015.
8. Authorize advertising for bids for removal and disposal of accumulated sludge from the Harpool Plant recycle pond.
9. Accept recommendation of the Audit Committee for selection of independent Auditor for five-year term, subject to approval of annual engagement, and authorize the Executive Director to sign an engagement letter with Deloitte & Touche, the selected Auditor to conduct the District's FY 2015 annual financial audit.

ITEMS FOR INDIVIDUAL CONSIDERATION

10. Consider approval (for limited purposes related to the tax exempt status of District Bonds) of an agreement between Town of Providence Village and Severn Trent Environmental Services, Inc. regarding the retail operations on and maintenance of the Town's water distribution and wastewater collection systems.

In accordance with District's contracts for service, the District is to review and approve, for limited purpose, any operating agreement with a private operator. The District's Bond Counsel has reviewed the agreement between Providence Village and Severn Trent; and, finds that said agreement should not adversely affect the tax treatment of any tax-exempt Bonds of the District. Staff recommends approval of the Professional Service Agreement between the Town of Providence Village and Severn Trent Environmental Services, Inc. for the maintenance of the Town's retail water and wastewater systems.

For certain Board Members, there are still concerns regarding the purpose and circumstances for this item. **Tim Fisher made a motion to table Item No. 10. Seconded by Chris Boyd.**



The votes were 13 Yes, 5 No (Denton County, DCFWSD 1A, Flower Mound, Lake Cities MUA, and Lewisville). Motion to table is approved.

11. Consider approval of the proposed Master Agreement for TWDB “Board Participation” in Lake Ralph Hall funding, as previously approved in the amount of \$15,565,000.

For the Lake Ralph Hall project, Mr. Taylor indicated that the Financial Agreement with the Texas Water Development Board was approved at the September 3 Board Meeting. The proposed Master Agreement is an attachment to the approved Financial Agreement. Its key provisions include:

- Specifies ownership percentages of the Lake Ralph Hall project between TWDB and the District.
- Rights, privileges and obligations regarding respective ownership shares by TWDB and the District.
- The maturity dates and repayment schedule of TWDB’s equity interest.
- Buyout requirements when usage or events “trigger” the District to begin purchasing the TWDB’s equity in the project.
- Buy-back will be based on usage over a three-year rolling average, not usage of water in any given year – a key provision that will cushion District customers from future rate impact.

The proposed Master Agreement reflects mutual agreement by TWDB, District staff, Bond Counsel and Financial Advisor. Staff recommends approval of the Master Agreement subject to any non-substantive changes mutually agreed prior to final execution.

Tim Fisher made a motion to approve Item No. 11 as recommended by staff. Seconded by Mike Fairfield. The votes were 17 Yes, 1 No (Flower Mound). Motion carried.

12. Consider Resolution authorizing acceptance of completed work, approval of final change order, final payment and release of retainage for construction contract awarded to North Texas Contracting for relocation of District’s water transmission pipelines in advance of TxDOT improvements for FM 2499. (Weighted Capital Vote)

According to staff, all work has been completed in accordance with the plans, specification, and change orders. District’s consultant and staff recommend that the Board approve Change Order No. 2 and accept the project as complete and authorize final payment, including release of retainage.

Rich Lubke made a motion to approve Item No. 12 as recommended by staff. Seconded by Dick Cook. The votes were all Yes. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1			1
AUBREY - Faulkner	1			1
BARTONVILLE – Knowler	1	1		



CELINA – Vanzant	1	1	
CORINTH – vacant - 3			
DENTON (CITY) – Fisher	2	2	
DC AT-LARGE - Campbell	1	1	
DCFWSD #1A – Benetato	2	2	
DCFWSD #7 – Mercer	2	2	
DOUBLE OAK – Cook	1	1	
FLOWER MOUND – Parr	9	9	
HIGHLAND VILLAGE – Lubke	2	2	
IRVING – Lopez	2	2	
JUSTIN – Blevins	1	1	
KRUM - Calmes	1	1	
LAKE CITIES MUA – Fairfield	2	2	
LEWISVILLE – Watts	2	2	
MUSTANG SUD - Boyd	2	2	
PILOT POINT - Ingalls	1	1	
PONDER - Huckaby	1	1	
PROSPER - Jaromin	1		1
SANGER – Brice	1		1
TOTAL	37	33	4

13. Consider matters related to Contracts for Professional Services. **(Weighted Capital Vote)**

- A. Approval of contract and first task order with Carollo Engineers, Inc. related to high service pumping improvements at Harpool Water Treatment Plant.

In recent years, the growth in the northeast service area has increased. There were record setting water demands experienced at the Harpool Plant this year. The current configuration of the Harpool High Service Pump Station is a limiting factor in the amount of water that can be delivered to customers. With the increased demands, it is time to consider increasing the capacity of the current pump station or constructing the planned second pump station.

Staff recommends Board approval of Task Order No. 1 with Carollo Engineers, Inc. for evaluation of the Harpool High Service Pump Station. The total amount for the proposed Engineering Task Order No. 1 is \$175,090. Funds are available in the current Capital Budget.



- B. Receive project update and approve Task Order No. 2 to existing contract with Alan Plummer Associates, Inc. related to odor control and other needed improvements at Lakeview Plant.

Regarding odor control and other needed improvements at Lakeview Plant, APAI has completed the evaluation and identified improvements to provide additional odor control and operational improvements at the plant. The Customer Advisory Committee (CAC) met on September 22 to review the scope and estimated construction cost of the recommended improvements. The CAC concurred with the Engineer's recommendation to proceed with improvements as stated above. Task Order No. 2 is for engineering services related to the design and construction of these improvements.

The total amount for the proposed Task Order No. 2 is \$341,600. Funds are available in the FY 2016 Capital Budget. Staff recommends approval of Task Order No. 2 to existing contract with Alan Plummer Associates, Inc.

Rich Lubke made a motion to approve Item No. 13. A & B. Seconded by Kevin Mercer. The votes were all Yes. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1			1
AUBREY - Faulkner	1			1
BARTONVILLE – Knowler	1	1		
CELINA – Vanzant	1	1		
CORINTH – vacant - 3				
DENTON (CITY) – Fisher	2	2		
DC AT-LARGE - Campbell	1	1		
DCFWSO #1A – Benetato	2	2		
DCFWSO #7 – Mercer	2	2		
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Parr	9	9		
HIGHLAND VILLAGE – Lubke	2	2		
IRVING – Lopez	2	2		
JUSTIN – Blevins	1	1		
KRUM - Calmes	1	1		
LAKE CITIES MUA – Fairfield	2	2		
LEWISVILLE – Watts	2	2		
MUSTANG SUD - Boyd	2	2		
PILOT POINT - Ingalls	1	1		



PONDER - Huckaby	1	1		
PROSPER - Jaromin	1			1
SANGER – Brice	1			1
TOTAL	37	33		4

14. As part of the District’s budgeted SCADA & Security Improvements Project, consider authorization for the Executive Director to enter into the following agreements. **(Weighted Capital Vote)**

A. TD Industries for the purchase and installation of 14KW generator for backup/emergency power to the District’s computer network.

Server units are important components to District’s computer network. At present, the systems are supported by battery backup. To ensure that backup/emergency electrical power is available during a power outage, staff is recommending the purchase of a new generator including installation services. The total cost from TD Industries based on their Texas Multiple Awards Schedule (TXMAS) contract is \$30,199.

B. C & R Services for the purchase and installation of updated security cameras and associated equipment to replace and augment existing equipment at key facilities of the District.

Many of the security cameras located at the District’s facilities are based on older technology when compared to today’s standards. As result, Staff is recommending that these cameras be replaced with newer models that provide enhanced resolution, greater functionality, and improved remote networking capabilities, as well as the ability to expand the system to new facilities in the future. In addition, Staff is recommending that a few additional cameras be installed at certain locations to help enhance security and better facilitate afterhours monitoring. The total cost including installation services from C & R Services based on their Texas Department of Information Resources contract is \$40,750.

Virginia Blevins made a motion to approve Item No. 14. A & B. Seconded by Ramiro Lopez. The votes were all Yes. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1			1
AUBREY - Faulkner	1			1
BARTONVILLE – Knowler	1	1		
CELINA – Vanzant	1	1		
CORINTH – vacant - 3				
DENTON (CITY) – Fisher	2	2		
DC AT-LARGE - Campbell	1	1		



DCFWS #1A – Benetato	2	2	
DCFWS #7 – Mercer	2	2	
DOUBLE OAK – Cook	1	1	
FLOWER MOUND – Parr	9	9	
HIGHLAND VILLAGE – Lubke	2	2	
IRVING – Lopez	2	2	
JUSTIN – Blevins	1	1	
KRUM - Calmes	1	1	
LAKE CITIES MUA – Fairfield	2	2	
LEWISVILLE – Watts	2	2	
MUSTANG SUD - Boyd	2	2	
PILOT POINT - Ingalls	1	1	
PONDER - Huckaby	1	1	
PROSPER - Jaromin	1		1
SANGER – Brice	1		1
TOTAL	37	33	4

15. Executive Session concerning granting or acquisition of easements, rights-of-way and other property for Water Resource Development or for Regional Treated Water System pursuant to Texas Government Code, Section 551.072, according to location maps of the projects available in the District Office, and regarding water rights and related permits; and, meeting with legal counsel pursuant to Texas Government Code, Section 551.071, relative to a matter in which the attorney is required under the Texas Disciplinary Rules of Professional Conduct to convey advice in Executive Session.

None.

16. Consider action on property matters, some of which may have been discussed in Executive Session. **(Weighted Capital Vote)**

None.

17. Review potential agenda items, activities and announcements for future Board meetings.

The November 5 Board Meeting may include a Field Trip. Chris Boyd has offered the use of his Board Room at Mustang if needed for the Business Meeting. The meeting is still in the planning stages, and more information will be distributed when final.

18. Visitor Comments Concerning Non-Agenda Topics.

None.



19. Adjournment.

President Vanzant adjourned the meeting at 1:37 P.M.

Recorded By: Nancy T. Tam
Nancy T. Tam, Assistant Secretary, Board of Directors

Certified By: Ramiro Lopez
Ramiro Lopez, Secretary, Board of Directors

