



MINUTES

UPPER TRINITY REGIONAL WATER DISTRICT BOARD OF DIRECTORS MEETING

September 3, 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 1:16 P.M. on Thursday September 3, 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
Troy Norton, Argyle
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
Mike Brice, Sanger

Chris Boyd, Vice President, Mustang SUD
Ramiro Lopez, Secretary, Irving
Kenneth Faulkner, Aubrey
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
Frank Jaromin, Prosper

Vacant: Corinth

Staff & Advisors in Attendance:

Thomas E. Taylor, Executive Director
Larry Patterson, Deputy Executive Director
Nancy Tam, Assistant to Executive Director
Jason Pierce, Mgr / Watershed & Contrct Srvc
Lester Harris, Accounting Manager
David Medanich, Financial Advisor
Mark Skaggs, IT Administrator
Tim Brazile, Water Operations Superintendent

John F. Boyle, Jr., General Counsel
Bill Greenleaf, Director / Business Services
Jody Zabolio, Ass't Director / Operations
Don Hill, Manager / Property Services
Jan Morris, Budget Manager
Rob Collins, Bond Counsel
Dustin Wright, MIS

Others in Attendance:

Alan Tucker, APAI
Brian Roberson, Providence Village

Phillip Mack Furlow, Providence Village

3. Pledge of Allegiance and Invocation

Pledge of Allegiance: Chris Boyd

Invocation: Gary Calmes

4. Opening Remarks:

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

President Vanzant expressed his appreciation to staff for their hard work in preparing the budget for the coming fiscal year. He also thanked Kevin Mercer of DCFWSD #7 (Lantana) and the Town of Northlake for their recent additional subscriptions for water. With this increase, DCFWSD #7 now qualifies for an additional weighted vote.

- 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.

Taylor reported that the Town of Providence Village had dissolved the Water Control and Improvement District (WCID). The Town is now fully responsible for service to the citizens and also a direct customer of Upper Trinity, assuming the water and wastewater contracts from the WCID.

Taylor recognized the following officials from the Town:

- Brian Roberson, Town Manager
- Phillip Mack Furlow, Town Attorney

We are working together for a smooth transition. The Town is planning to contract with an independent operator to manage their utility system. Upper Trinity is expecting to receive a proposed operating contract for Board approval.

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

President Vanzant recognized Jody Zabolio, Assistant Director of Operations and his team for their special effort and dedication regarding the Zebra Mussel Abatement Project. This team is now the recipient of the **TCEQ Innovative or Proactive Water System Award** for contribution they made to the State and citizens of Texas in protecting public health.

Zabolio presented this special Award to Tim Brazile, Water Operations Superintendent of the Taylor Plant, who has been instrumental in this project, and Ronna Hartt, Project Engineer / Project Manager.

5. Visitor Comments Concerning Agenda Topics.

None.



CONSENT AGENDA

President Vanzant asked for a motion to approve the items in the Consent Agenda. **Rich Lubke made a motion to approve the Consent Agenda Items as recommended. Seconded by Johnny Harris.** The votes were all Yes. Motion carried. The approved items were:

6. Adopt minutes of August 6, 2015 Board Meeting.
7. Accept Monthly Management Report for the period ended July 31, 2015.
8. Authorize the Executive Director to enter into a three-year agreement with Wedeco Products/Xylem Water Solutions USA, Inc. for services to rebuild the ozone generators located at the Taylor Water Treatment Plant, and to provide annual preventative maintenance services for the auxiliary equipment.
9. Receive Report of construction change orders approved by staff.

ITEMS FOR INDIVIDUAL CONSIDERATION

10. Consider adoption of rates for services provided by the District:
 - A. Wholesale Rates for Regional Treated Water System.
 - B. Wholesale Rates for Lakeview Regional Water Reclamation System.
 - C. Wholesale Rates for Northeast Water Reclamation Systems (Riverbend / Doe Branch).
 - D. Wholesale Rates for Peninsula Water Reclamation Plant.
 - E. Wholesale Rates for Non-Potable Water Service.
 - F. Rates for Collection of Household Hazardous Waste.
 - G. Administrative/Planning And Growth Program Fees (Approved By Budget Adoption).

The briefings for these items were held in the Work Session preceding the business meeting. No additional briefing was required. Staff recommended approval.

Frank Jaromin made a motion to approve Resolutions for Item No. 10 A-G as recommended by staff. Seconded by Ramiro Lopez. The votes were all Yes. Motion carried.

11. Consider Adoption of Budgets for Fiscal Year 2015-2016:
 - A. Operating Budgets
 - B. Capital Improvement Budget
 - C. Budget for Upper Trinity Conservation Trust

These budgets provide for needed services and keep finances in balance for all District programs and services. **Richard Huckaby made a motion to approve Item No. 11 A-C as recommended by staff. Seconded by Kevin Mercer.** The votes were all Yes. Motion carried.



12. Consider a Resolution with specified parameters to authorize the sale of approximately \$4.30 million of Revenue Bonds for the Lakeview Regional Water Reclamation System. (Weighted Capital Vote)

The budget for the Capital Improvement Program provides funding for trunk mains, fittings and general plant improvements for the Lakeview System. It is necessary to issue Revenue Bonds for the planned capital improvements. The estimated amount of bond proceeds needed for these capital improvements was \$4.3 million. However, with further review, staff found that the Debt Service Reserve may be overfunded; this could lower the Bond issue to approximately \$3.59 million. The term has been shortened from a 25-year term to a 20-year term.

Kevin Mercer made a motion to approve Item No. 12 with a maximum not-to-exceed limit of \$4.3 million. Seconded by Rich Lubke. The votes were 37 Yes, 0 No. 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	37
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13. Consider approval of Financing Agreements with the Texas Water Development Board (TWDB) to support the Lake Ralph Hall Project for the Regional Treated Water System. **(Weighted Capital Vote)**

- A. Financing Agreement for \$29,115,000 of “Deferred Interest” Financing.
- B. Financing Agreement for \$15,565,000 of TWDB “Board Participation” Financing.
- C. Review and discuss the Master Agreement (draft pending) for TWDB “Board Participation” Financing.

Lester Harris, Accounting Manager provided a briefing on key provisions of the three items, with extra emphasis on Item C, TWDB “Board Participation” financing for the Lake Ralph Hall Project:

- Board Participation will enable the District to prepare for the future while not burdening current customers.
- TWDB has agreed to provide 80% funding for the Project.
- Once future growth is realized, District would repurchase the State’s portion as needed or in accordance with the deferred repayment schedule.
- Terms of the financing will be 34 years.

The Master Agreement is to be an attached part of Item B; it is still being negotiated and is expected to be ready for approval at the next Board meeting. **Tim Fisher made a motion to approve Item No. 13 A and B. Seconded by Del Knowler.** The votes were 28 Yes, 9 No. 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	28	9

14. Staff briefing about projects and pending contracts for water and wastewater services in the northeast portion of the District’s service area.

The current outlook for growth and development is strong in the northeast portion of the District’s service area. Taylor provided a briefing, continued from last month regarding the increased activities in the District’s northeast portion of services area:

- Doe Branch Plant – plant construction is underway, with pending capacity for FWSD #10.
- Riverbend Plant – urgent need to expand; pending funding application at TWDB.
- Peninsula Plant – planning for future plant expansion.
- Harpool Plant – has stepped up water production with extended work hours.

15. Consider resolution authorizing acceptance of completed work, approval of final change order, final payment and release of retainage for construction contract awarded to Dake Construction for pumping improvements at Taylor Plant High Service Pump Station and at Stone Hill Pump Station. **(Weighted Capital Vote)**

According to Tom Snyder, Assistant Director of Engineering and Construction, regarding improvements at Taylor Plant High Service Pump Station and at Stone Hill Pump Station, all work has been completed in accordance with the plans, specifications and change orders except for minor punch list items. Both Staff and District’s consultant, CH2M Hill, Inc., recommended Board approval of the Resolution and Final Change Order No. 2 in the amount of \$111,506.44.

Troy Norton made a motion to approve Item No. 15 as recommended. Seconded by Lathan Watts. The votes were 37 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	37

A 5-minute break was called.

16. 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.

The Board of Directors went into Executive Session at 2:32 PM.

Ken Parr left the meeting at 2:56 P.M.

Scott Ingalls left the meeting at 3:02 P.M.

The Board returned to open meeting at 3:02 PM.



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

There were two items discussed in Executive Session for consideration:

- A. Consider approval of value ranges and authorize negotiations to acquire easements for pipeline from Harpool Plant to North Raw Water Storage site.
- B. Consider approval of granting easement to the District on property located on FM 720, which property was conveyed to District by deed and recorded in Document No. 2000-74655, Deed Records Denton County, Texas.

Richard Huckaby made a motion to approve both items listed as Item 17 A - B. Seconded by Mike Fairfield. The votes were 27 Yes, 0 No. 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	27	10

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

None.

19. Visitor Comments Concerning Non-Agenda Topics.

None.

20. Adjournment.

President Vanzant adjourned the meeting at 3:05 P.M.

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

Certified By: 
Ramiro Lopez, Secretary, Board of Directors

