



MINUTES

UPPER TRINITY REGIONAL WATER DISTRICT BOARD OF DIRECTORS MEETING SEPTEMBER 6, 2018

REGULAR SESSION BOARD MEETING

1. Call to Order

The Board of Directors of the Upper Trinity Regional Water District convened, with Vice President Rich Lubke presiding, at 12:52 P.M. on Thursday, September 6, 2018, 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:

Richard Lubke, Vice President, Highland Village
Mike Fairfield, Secretary, Lake Cities MUA
Brian Roberson, Aubrey
James Burnham, Celina
Bob Hart, Corinth
Jean Campbell, Denton County At-Large
Dick Cook, Double Oak
Virginia Blevins, Justin
Eric Ferris, Lewisville
Lyle Drescher, Northlake
Michael Anderson, Ponder
Alina Ciocan, Sanger

Ramiro Lopez, Treasurer, Irving
Troy Norton, Argyle
Del Knowler, Bartonville
Mark Pape, Copper Canyon
Johnny Harris, Denton County
Kristina Clark, DCFWSD #1A
Clay Riggs, Flower Mound
Gary Calmes, Krum
Chris Boyd, Mustang SUD
Alan Guard, Pilot Point
Frank Jaromin, Prosper

Absent:

Kevin Mercer, President, DCFWSD #7 *

* Excused Absence

Timothy Fisher, Denton *

Staff & Advisors in Attendance:

Larry N. Patterson, Executive Director
Bill Greenleaf, Director / Business Services
Thomas E. Taylor, Former Exec Director
Jody Zabolio, Director/Operations
Doug Janeway, Manager Property Svcs
Jan Morris, Mgr, Personnel / Purchasing
Mark Skaggs, Manager / IT Svcs
Adam McKnight, Project Engineer

John F. Boyle, Jr., General Counsel
Nancy Tam, Assistant to Executive Director
Tom Snyder, Director Const. & Eng.
Jason Pierce, Mgr. / Cust Cont & Support Svcs
Lester Harris, Accounting Manager
Kim Probasco, Budget Manager
Kurt Staller, Asst. Dir, Const. & Eng.

Others in Attendance:

Rob Collins, Bracewell
Jim Gallovich, Carollo Engineers

Alan Tucker, APAI
Nick Bulaich, Hilltop Securities

3. Pledge of Allegiance and Invocation:

Pledge of Allegiance: Lyle Dresher

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.

Vice President Rich Lubke expressed appreciation for the District's continued diligence in keeping up with our growing region. He encouraged all Members to brief their entity; Upper Trinity has a lot to share, especially regarding the Lake Ralph Hall Project.

- 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.

- Regarding District's Water Conservation and Watershed Protection outreach programs, the District continued its digital advertising campaign. The digital banner ads promoting water conservation and watershed protection messages were shown on websites and mobile apps in Upper Trinity's service area. The banners also linked to WaterMyYard.org and Upper Trinity's website. Upper Trinity also used the digital banner ad images to display on digital billboards along major roadways.
- Patterson recognized Brian Kelm. Brian is an employee of the District, an A Operator, has a microbiology degree, a certified lab analyst, and he has served the District in water and wastewater treatment. Brian has also recently been certified as a Registered Environmental Manager, which is the highest professional level that one can receive in the environmental professional, with distinction. In addition, through a new program with TCEQ, Brian is now also a certified Environmental Mentor.

- 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

Vice President Lubke moved to the Consent Agenda. Dick Cook requested that Item No. 6 be pulled for individual consideration. **Kristina Clark made a motion to approve the Consent Agenda Item Nos. 7-10. Seconded by Bob Hart.** The vote was all Yes. Motion passed. The approved items were:

7. Accept Monthly Management Report for the period ended July 31, 2018.
8. Approval of resolution to authorize the Executive Director to enter into a five-year administrative services agreement with ICMA Retirement Corporation (ICMA-RC) to continue to provide comprehensive retirement plan administration, investment and educational services for the District and employees.
9. Authorize the Executive Director to enter into a purchasing agreement with ACT Pipe and Supply, Inc. and Core & Main for the purchase of ductile iron pipe and associated repair materials.
10. Authorize the Executive Director to enter into a pricing agreement with Pace Analytical Services, LLC as the primary vendor and Oxidor Labs, LLC as the secondary vendor for Lab Testing Services.

ITEMS FOR INDIVIDUAL CONSIDERATION

Dick Cook indicated that since he was absent at the August 2, 2018 Board Meeting, he would rather vote "abstain" on the item.

6. Adopt minutes of August 2, 2018 Board Meeting.

Frank Jaromin made a motion to approve Item No. 6. Seconded by Alina Ciocan. The vote was 22 Yes, 2 Abstain (Mustang SUD, Double Oak). Motion passed.

11. 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 Regional Water Reclamation System.
- D. Wholesale Rates for Peninsula Water Reclamation Plant.
- E. Wholesale Rates for Non-Potable Water Service.
- F. Rates for Collection and Disposal of Household Hazardous Waste.
- G. Administrative/Planning And Growth Program Fees (Approved By Budget Adoption).

The proposed rates were briefed and discussed in the Work Session. There were no additional questions. **Bob Hart made a motion to approve Item No. 11. A-G. Seconded by Lyle Dresher.** The vote was all Yes. Motion passed.

12. Consider Adoption of Budgets for Fiscal Year 2018-2019:

- A. Operating Budgets
- B. Capital Improvement Budgets
- C. Budget for Upper Trinity Conservation Trust

This item was briefed and discussed in Work Session. There were no additional questions, staff recommends the Board approve the Budgets for FY 2019. **Alina Ciocan made a motion to approve Item No. 12 as recommended by staff. Seconded by Frank Jaromin.** The vote was 21 Yes, 1 No (Pilot Point). Motion carried.

13. Receive presentation of 5-year rate forecast for the Regional Treated Water System.

Larry Patterson indicated that this item was requested for discussion at the last Board meeting. In the past, the forecast was typically discussed in the Work Session, but it is being held during



regular session this year as a formal item for additional discussion, if needed. This information will be available to those absent at this meeting.

Bill Greenleaf provided the briefing to the Board. This forecast provides projection of anticipated financial results for the Regional Treated Water System. The projection includes the upcoming fiscal year for which a budget is being presented for adoption, as well as four additional fiscal years. Its purpose is intended to give the Board a better understanding of what may be expected over the five-year period in order to better assist Members and Customers as they develop their entity's water service budgets and financial projections.

As with any forecast, the results may or may not be realized as numerous assumptions and related results can be affected by any number of things, ranging from regulatory mandates and environmental conditions (drought) to economic changes (recessions). However, based on District staff's current rate evaluation, the five-year forecast appears to show annual increases of approximately 3 percent. This is an informational item only. No action was required.

14. Consider approval of the Parameters Resolution for proposed sale of Revenue Bonds for approximately \$26,500,000 to provide funds for approximately \$12,250,000 for expansion of the Doe Branch Plant and approximately \$14,250,000 of Refunding Bonds for the Northeast Regional Water Reclamation System. **(Weighted Capital Vote)**

For Doe Branch Project, three of four participants (FWSD #10, Mustang SUD, Prosper) in this project have chosen to provide their own funding. However, it is necessary for the District to issue approximately \$12.25 million in Revenue Bonds to provide funding for Celina's portion of the expansion.

Also, portions of the Series 2007 and Series 2014 Bonds of the Northeast Regional Water Reclamation System have been identified for a refunding opportunity, which could save District money through lower interest rates. The potential savings is approximately 3.4%.

Staff recommends approval of the proposed Resolution authorizing the issuance of revenue bonds for the Northeast Regional Water Reclamation System, subject to specified parameters. Actual issuance would be authorized by the Pricing Committee upon confirmation that the specified parameters are met and to fulfill the need for timely financing.

Del Knowler made a motion to approve Item No. 14 as recommended by staff. Seconded by Virginia Blevins. The vote was 38 Yes, 0 No. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Burnham	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Fisher	2			2
DC AT-LARGE - Campbell	1	1		
DCFWSO #1A – Clark	2	2		

DCFWSO #7 – Mercer	2			2
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Riggs	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 – Ferris	2	2		
MUSTANG SUD - Boyd	2	2		
NORTHLAKE - Dresher	1	1		
PILOT POINT - Guard	1	1		
PONDER - Anderson	1	1		
PROSPER - Jaromin	1	1		
SANGER – Ciocan	1	1		
TOTAL	42	38		4

15. Consider approval of Financing Agreement for \$7,590,000 with the Texas Water Development Board (TWDB) for the Parallel Pipeline Project for the Regional Treated Water System. **(Weighted Capital Vote)**

At the May 2018 Board Meeting, the Board authorized an application for State Water Implementation Fund for Texas (SWIFT) funding for a series of low-interest loans from the TWDB for planning and preparations for a parallel pipeline from the Taylor Water Treatment Plant to the Stonehill Pump Station. The application received formal approval by the TWDB on July 26, 2018, for \$7,590,000 in Low-Interest Loan, financing to be taken during FY 2019.

The approval of this Financing Agreement is the initial commitment of the District to borrow the funds. Once the TWDB finalizes pricing on their bond issuance, the exact financial impact for FY 2019 will be known and outlined in a Bond Resolution. The exact financial impact will be disclosed once the Resolution is brought before the Board for approval.

Lyle Dresher made a motion to approve Item No. 15 as recommended by staff. Seconded by Jean Campbell. The vote was 38 Yes, 0 No. Motion carried. The *Weighted Capital Vote* proceeded as follows.

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

CELINA – Burnham	2	2	
CORINTH – Hart	3	3	
DENTON (CITY) – Fisher	2		2
DC AT-LARGE - Campbell	1	1	
DCFWSO #1A – Clark	2	2	
DCFWSO #7 – Mercer	2		2
DOUBLE OAK – Cook	1	1	
FLOWER MOUND – Riggs	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 – Ferris	2	2	
MUSTANG SUD - Boyd	2	2	
NORTHLAKE - Drescher	1	1	
PILOT POINT - Guard	1	1	
PONDER - Anderson	1	1	
PROSPER - Jaromin	1	1	
SANGER – Ciocan	1	1	
TOTAL	42	38	4

A 5-minute break was called to sign the approved Financing Agreement.

16. Authorize extension of contract with Sulphur River Basin Authority for joint water resources planning. **(Weighted Capital Vote)**

The contract with Sulphur River Basin Authority was for joint planning for potential water supplies in the Sulphur River Basin. Also, North Texas Municipal Water District (NTMWD), Tarrant Regional Water District (TRWD) and the Cities of Irving and Dallas are participating parties in the joint planning activities.

The current agreement is scheduled to expire on August 31, 2018. It has been extended administratively by the SRBA pending formal approval by the participating parties. To accommodate ongoing efforts to complete the U.S. Army of Corps of Engineers Sulphur River Basin Studies, SRBA has requested the participating parties to extend the agreement through August 31, 2019.

The District's financial commitment of \$30,000 under the SRBA agreement is programmed to be funded from the future water line item in the Regional Treated Water System FY 2019 Operation Budget. Staff recommends approval of the Second Amendment to the Advanced Funding



Agreement for Water Resources Planning with the Sulphur River Basin, and other participating utilities.

Virginia Blevins made a motion to approve Item No. 16 as recommended. Seconded by Alan Guard. The vote was 38 Yes, 0 No. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Burnham	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Fisher	2			2
DC AT-LARGE - Campbell	1	1		
DCFWSO #1A – Clark	2	2		
DCFWSO #7 – Mercer	2			2
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Riggs	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 – Ferris	2	2		
MUSTANG SUD - Boyd	2	2		
NORTHLAKE - Drescher	1	1		
PILOT POINT - Guard	1	1		
PONDER - Anderson	1	1		
PROSPER - Jaromin	1	1		
SANGER – Ciocan	1	1		
TOTAL	42	38		4

- Consider Resolution authorizing acceptance of completed work, approval of final change order, final payment and release of retainage for construction contract awarded to S.J. Louis Construction for Southwest Pipeline from Stone Hill Pump Station to west of Morriss Road in Flower Mound. (Weighted Capital Vote)



The Southwest Pipeline Phase 2, Section 3B was installed which was approximately 5,500 feet of 60-inch steel pipeline. It was constructed in a very congested area. All work has been completed in accordance with plans, specifications and change orders. Staff and the District's consultant, CH2M, Inc. recommend the Board to approve resolution authorizing acceptance of completed work, final change order, final payment and release of retainage to S.J. Louis Construction of Texas, LTD in the amount of \$491,287.42.

Kristina Clark made a motion to approve Item No. 17 as recommended. Seconded by Dick Cook. The vote was 38 Yes, 0 No. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Burnham	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Fisher	2			2
DC AT-LARGE - Campbell	1	1		
DCFWSO #1A – Clark	2	2		
DCFWSO #7 – Mercer	2			2
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Riggs	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 – Ferris	2	2		
MUSTANG SUD - Boyd	2	2		
NORTHLAKE - Dresher	1	1		
PILOT POINT - Guard	1	1		
PONDER - Anderson	1	1		
PROSPER - Jaromin	1	1		
SANGER – Ciocan	1	1		
TOTAL	42	38		4



18. Consider approval of agreements for Tom Harpool Regional Water Treatment Plant:

- A. Task Order No. 3 with Carollo Engineers, Inc. related to design, bidding and construction phase services for additional Membranes, Plant CIP tank, hypochlorite tank and electrical system improvements at the Harpool WTP.
- B. Authorize Executive Director to enter into membrane limited Design Services Agreement with Suez.

Adam McKnight, Project Engineer provided the briefing to the Board. This item is regarding needed improvements to the Tom Harpool Regional Water Treatment Plant. The Harpool Plant has been in operation since 2008, and is currently at 80% capacity. Due to the rapid growth in this area, the plant will need to be repaired and improved to increase the capacity and efficiency.

For Item A, staff recommends to approve Task Order No. 3 with Carollo Engineers, Inc. for professional services related to design and construction of membranes, CIP tank, hypochlorite tanks and plant water system improvements at Harpool WTP for a not-to-exceed amount of \$711,660.00.

For Item B, to authorize Executive Director to enter into Design Services Agreement for membrane system with Suez for a not-to-exceed amount of \$75,000.

Lyle Drescher made a motion to approve Item No. 18. A & B. Seconded by Kristina Clark.
 The vote was 38 Yes, 0 No. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Burnham	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Fisher	2			2
DC AT-LARGE - Campbell	1	1		
DCFWSO #1A – Clark	2	2		
DCFWSO #7 – Mercer	2			2
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Riggs	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 – Ferris	2	2		



MUSTANG SUD - Boyd	2	2		
NORTHLAKE - Dresher	1	1		
PILOT POINT - Guard	1	1		
PONDER - Anderson	1	1		
PROSPER - Jaromin	1	1		
SANGER - Ciocan	1	1		
TOTAL	42	38		4

19. Consider approval of Change Order No. 1 to existing construction contract with Atkin's Brothers Construction Co. for pipeline relocations along FM 720. **(Weighted Capital Vote)**

Kurt Staller provided the briefing to the Board. He indicated that Atkin's Brothers Equipment Co. is the correct name for the contractor.

On December 7, 2017, the Board authorized a construction contract with Atkin's Brothers Equipment Co. (Atkins) for pipeline relocations along FM 720 as a result of TxDOT's FM 720 road improvement project. During construction, issues were encountered that required additional work to stay ahead of TxDOT's schedule. The proposed Change Order No. 1 to the contract with Atkins in the amount of \$88,176.00 is for additional work related to the pipeline relocations along FM 720. **Virginia Blevins made a motion to approve Item No. 19 as recommended by staff. Seconded by Kristina Clark.** The vote was 38 Yes, 0 No. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE - Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE - Knowler	1	1		
CELINA - Burnham	2	2		
CORINTH - Hart	3	3		
DENTON (CITY) - Fisher	2			2
DC AT-LARGE - Campbell	1	1		
DCFWS #1A - Clark	2	2		
DCFWS #7 - Mercer	2			2
DOUBLE OAK - Cook	1	1		
FLOWER MOUND - Riggs	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 – Ferris	2	2	
MUSTANG SUD - Boyd	2	2	
NORTHLAKE - Dresher	1	1	
PILOT POINT - Guard	1	1	
PONDER - Anderson	1	1	
PROSPER - Jaromin	1	1	
SANGER – Ciocan	1	1	
TOTAL	42	38	4

20. 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; for discussion of security matters pursuant to Texas Government Code, Section 551.076; and, regarding General Counsel and Executive Director’s review of legal implications for the relocation of a District water pipeline; 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 2:02 PM.
 The Board returned to open meeting at 2:24 PM.

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

This property item was discussed in Executive Session related to the Lake Ralph Hall Project. **Jean Campbell made a motion to approve the purchase of the Askew/Dockery Property (P-107-LRH). Seconded by Kristina Clark.** The vote was 38 Yes, 0 No. Motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Burnham	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Fisher	2			2
DC AT-LARGE - Campbell	1	1		
DCFWS #1A – Clark	2	2		
DCFWS #7 – Mercer	2			2



DOUBLE OAK – Cook	1	1	
FLOWER MOUND – Riggs	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 – Ferris	2	2	
MUSTANG SUD - Boyd	2	2	
NORTHLAKE - Dresher	1	1	
PILOT POINT - Guard	1	1	
PONDER - Anderson	1	1	
PROSPER - Jaromin	1	1	
SANGER – Ciocan	1	1	
TOTAL	42	38	4

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

None.

23. Visitor Comments Concerning Non-Agenda Topics.

None.

24. Adjournment.

There being no further business, Vice President Lubke adjourned the meeting at 2:26 P.M.

Recorded By:


 Nancy T. Tam, Assistant Secretary, Board of Directors

Certified By:


 Mike Fairfield, Secretary, Board of Directors

