



MEMORANDUM

TO: Board of Directors
FROM: Thomas E. Taylor, Executive Director
DATE: March 31, 2017
SUBJECT: Board of Directors Meeting - - April 6, 2017



Meeting Place: Upper Trinity Regional Water District
Board Meeting Room
900 N. Kealy
Lewisville, TX 75057

Date: Thursday, April 6, 2017

Board Meeting: 12:30 P.M.

Notice: For the required quorum, your presence is very important. However, if you cannot attend, please contact Nancy Tam by email: ntam@utrwd.com or by telephone at 214-538-8602, as soon as possible.

A WORD FROM THE PRESIDENT.

I hope everyone has enjoyed the unseasonably pleasant weather and the relaxed meeting schedule in these early months of 2017. As you can see from this month's agenda it hasn't been much of a spring break for District staff. With the completion of our FY 2016 audit I know the Business Department has been working overtime. The Engineering and Operations work load is running high, also. Let's be mindful to express our appreciation for all the hard work entailed in bringing these various matters to us each month.

The Riverbend Water Reclamation Plant expansion has been at the forefront of recent agendas. The hard work of all parties involved will bring at least some relief to the growth pressures on the system in a very robust sector of our service area. According to a recent article in the Denton Record Chronicle, "builders along U.S. Highway 380 started approximately 1638 houses last year." Housing starts in North Texas in the first quarter of 2017 are expected to push 30,000 with 9 of the 14 most active submarkets being located in the 380 corridor. Looks like the District must be prepared for more of the same in the coming years. I look forward to seeing everyone on Thursday.

- - Lance Vanzant, President

INFORMATIONAL ITEMS

Another Victory! Court of Appeals denies NWF's Motion for Rehearing on Lake Ralph Hall Permit. On January 26, 2017, the Court of Appeals issued its decision, reversing the District Court's prior judgement - - ruling in favor of the TCEQ and Upper Trinity. Yesterday, on March 30, the Court of Appeals denied National Wildlife Federations (NWF) motion for rehearing. **Therefore, the Court of Appeals decision stands**, unless overturned by the Supreme Court of Texas. NWF has until May 15 to file a petition for review by the Supreme Court. The Supreme Court is not required to accept the case for review. We'll will remain alert for any filings from NWF and take appropriate action. In the meantime, the Board and Staff can enjoy the appellate court victory!

New Board Member. To complete the remaining two months of Lathan Watts term, and for a full term, the Lewisville City Council has appointed Eric Ferris, the Deputy City Manager. Eric is a native of Denton County and a long-time City employee, working up through the ranks to become the Deputy City Manager. He is familiar with Upper Trinity's regional obligations, and expects to "put his shoulder to the wheel" to help advance the program. Eric is expected to be present at the Board Meeting to receive the Oath of Office.

Term "B" Board Members. For those Board Members whose terms will expire May 31, official notice has been sent to each Member entity. Governing bodies of Member entities may reappoint existing Board Members or may make a new appointment. If you are interested in reappointment, it would be a good idea to coordinate with the governing body, and to make a report of Upper Trinity activities. It is intended that new appointments will be effective June 1. However, if late, existing Board Members may serve until new appointments are made.

Aubrey Approves Deal with Mustang. In November 2015, City of Aubrey contracted with Upper Trinity to participate in the planned expansion of the Riverbend Water Reclamation Plant. Aubrey contracted for 280,000 gallons in the next phase to serve the Winn Ridge development, a major project on the southeast side of the City. Later, Mustang and the Developer approached the City about assuming the contract and letting Mustang serve the new development with water and wastewater services. While City staff recommended against the move, the City Council was interested. On March 21, the City Council voted 3 to 2 (see enclosed news article) to approve an agreement with Mustang. Since Upper Trinity has a binding contract with Aubrey and bonds have been approved, Mustang is expected to request that Upper Trinity Board of Directors approve an assignment of the Aubrey contract (including benefits and obligations) to Mustang.

Wellness Committee Report – 1,000 Mile Challenge. In 2016, the Wellness Committee challenged each employee of the District to walk 1,000 miles within the year. We are pleased to report 42 employees participated in the challenge, with 28 of those reaching or exceeding the 1,000 mile goal. In all, a total of almost **57,000 miles were walked in 2016!** For 2017, we are excited to announce that the mileage challenge will continue, PLUS a new more holistic wellness challenge - - and we look forward to continued success. Good health for employees and for Upper Trinity. Thanks to Wellness Committee for their energy and leadership.

Students Learn About Our Precious Water. Over the past couple of weeks, three groups of students have toured District facilities and participated in discussion of water conservation and watershed protection. Approximately 225 students and teachers from Denton High School, from Haun Elementary in Plano, and from the North Central Texas College – Flower Mound campus learned about the value of water, watershed protection, the importance of water infrastructure and how to use water wisely. The students rotated through different stations during their respective tours: (1) the Conservation Demonstration Garden (water conservation), (2) a rainfall simulator (watershed protection), (3) a stream trailer (stream geomorphology and greenbelt preservation), and (4) the Taylor Water Treatment Plant (water treatment processes). We are pleased to host schools, civic groups and others who are interested in participating in the District's educational outreach program about water conservation and watershed protection. To schedule a tour, please call Jason Pierce at 972-219-1228.



Hail Storm Damage. On the evening of March 26, a severe hail storm hit the Denton County area, moving across the mid-section of Denton County. District Staff has been actively inspecting facilities and equipment for damage from the storm. At this point, it appears most of the damage was to seven District trucks, with only minor damage to treatment plants and buildings. No outage of service to our Customers. Upon completion of the damage assessment, we expect to file an insurance claim.

Sanitary Sewer Overflow (SSO). On March 15 at approximately 9:30 am, the TxDOT contractor working in Highland Village, TX near the I-35E Bridge reported wastewater being released from a manhole on the District's Highland Village Force Main. Upper Trinity crews were promptly dispatched to site and determined that a fitting on the force main's air relief valve had failed. Approximately 22,500 gallons of wastewater were released from the force main system - - but contained - - before it could be shutoff. The spill location was at I-35E, just north of Highland Village Road. The team created dirt berms to contain the wastewater and prevent a spill into nearby streams connected to Lewisville Lake. Thanks to the quick action of District Staff, plus support from Highland Village and LCMUA, over 22,000 gallons were reclaimed and returned to the system for treatment at the Lakeview Water Reclamation Plant. The cleanup operation went into the early morning hours, but no wastewater entered Lewisville Lake. TCEQ was properly notified of the event, and follow-up technical reports have been filed.

Zebra Mussel Abatement Program. Last year the District completed installation of a system to protect the Lewisville Lake Intake Structure from zebra mussels - - including a chemical feed to mitigate the growth of zebra mussels. On March 30, District staff inspected the 60-inch raw water line and are very happy to report that no zebra mussels were found inside the line. Diver inspection of the wet well and screens reveal no population growth. It looks like we have put together a pretty effective system to protect us from these little troublemakers.

BOARD MEETING

Enclosed is the agenda for the April 6, 2017 Board Meeting, and the Data Sheets for action items and other related information. Please contact me or the appropriate staff person if you have any questions.

Aubrey council approves deal with Mustang



Susan Bedwell addresses the Aubrey City Council about the Winn Ridge deal with Mustang SUD.

Don Munsch/The Post-Signal

By Don Munsch
Assistant Editor

Months of contentious debate and long scrutiny are over for the Aubrey City Council.

The council voted 3-2 Tuesday night to sell the right to provide water and wastewater service to the Winn Ridge housing development to Mustang Special Utility District.

Council members Chris Rich, Jeff Perry and Calvin Tillman supported the deal; Deborah Goin and Oscar Pearson voted against it. Mayor Janet Meyers was opposed, but she is not a voting member of the council.

Other agenda items related to the Winn Ridge development, including the first amendment to the development agreement between the city, Centurion American Development Group and Pulte Homes, also were approved on a

3-2 vote. Passage of the Winn Ridge agenda items remain subject to final review and approval by the city attorney.

"There are several sections that needed to be worked out from a legal standpoint," City Administrator Matt McCombs said. At the meeting, the council approved interim city attorney David Berman to be the new city attorney.

One component of the agreement approved was a transfer and service agreement among the city, Centurion American Development Group, Pulte Homes of Texas LP and Mustang Special Utility District transferring water and wastewater facilities from the City of Aubrey to Mustang Special Utility District for Winn Ridge.

The council did not take any action on an agenda

AUBREY COUNCIL SELLS DEVELOPMENT RIGHTS

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item approving a transfer and service agreement between the city and Mustang for water and wastewater service to Venable Ranch and Aubrey Creek Estates, as the proposal would be put into one agreement with Mustang and is subject to city attorney review and approval, McCombs said.

The council met at the Aubrey Area Library; about 50 people were attending the meeting at its height. But several people left as the meeting wore on.

Council members broke into a closed session about 9:50 p.m. to discuss the agreement with legal counsel. The closed session lasted until around 11:30 p.m.

"I am disappointed that the council members voted in favor of the developer against recommendations from city attorney and city financial advisor and 50 citizens who asked them to vote against the transfer of water to Mustang and development agreement amendment," Goin said in an email to *The Post-Signal* Wednesday morning.

Meyers said she thinks every council member wants what is best for the city, but said in an email Wednesday that she is "disappointed we are listening to the developer and not the professional advice we have been given. By ignoring our professionals, we have saddled our citizens with the liability and the responsibility for debt that benefits Mustang SUD - not once but twice in one night. This deal is kinda like Obamacare. We are going to have to implement it to understand exactly what we have done to ourselves."

Tillman said Wednesday he didn't appreciate the approach exhibited by Goin and Meyers in showing their opposition to the deal on Tuesday, but he said the agreement is a positive development for the city as it helps city officials better plan for their water and

sewer resources for the future.

McCombs said Berman and Ross Martin, bond counsel, are expected to sit down on Friday to hammer out the legal hurdles.

"In terms of what comes after that, I think it's just getting all the documents updated and everything assigned and done," McCombs said. "At this point, it's in the hands of the legal folks and bond counsel and all those folks to make sure all the hurdles are passed and all the steps are done."

Martin answered several question from Meyers and Goin before the executive session. Other council members - Rich, Tillman, Pearson and Perry - did not ask any questions during the Q&A period with Martin. Rich served on a subcommittee that negotiated the agreements with the developer and MSUD. He and Tillman have been proponents of the agreement, with Tillman verbally sparring with Meyers about the deal in previous council meetings.

Meyers and Goin produced a flier sent to 700 Aubrey residents that encouraged them to ask council members to vote against the measure. Meyers and Tillman disputed what the deal could do to the city, with Meyers saying the city would lose \$21 million in revenue and assets while Tillman said the city could net \$23 million in the deal.

When the council emerged from the executive session, Meyers asked City Secretary Jenny Huckabee to read names of people who had written in opposition to the deal, McCombs said. Several people spoke in opposition to the deal during the citizen input portion of the meeting.

"As everything stands today, I don't believe it's in the best interest to make a change in the service agreement," Vinita Tribble said.

Kirk Wilson, represent-

ing Centurion American Development Group, gave a presentation during the meeting and told the council the city could net between \$7.5-\$26 million from the deal.

Also Tuesday, the council approved an extraterritorial jurisdiction agreement that includes Aubrey, Little Elm and Providence Village.

"What this would is kind of memorialize where those boundaries are going to be in the future," McCombs told the council.

According to the agreement, Providence Village's ETJ would extend north to a line that runs east and west of Liberty Road, with Aubrey's ETJ beginning, roughly, on the other side of that line, McCombs said.

The line would go north along FM2931 before heading east and then south and then east again to Bryan Road, McCombs said. Little Elm has the option of annexing 95 acres of land from Aubrey.

Also, 784 acres from Little Elm will be allocated to Providence Village, and there will be another 518 acres that Little Elm holds that Providence Village could add later.

"The whole deal is just trying to get what is a reasonable line service boundary and the more consistent you can make that and easier to understand ... it just makes sense from a service delivery standpoint," McCombs said Tuesday.

Also Tuesday, the council approved placing a veterans memorial monument - for all military personnel past, present and future - at the Aubrey festival grounds, which was renamed Veterans Memorial Park. The memorial will be placed in the park at no expense to the city. A dedication ceremony will be done May 28. The memorial project is a partnership between the Aubrey Area Museum and Kenneth and Carolyn Wilson.

PILOT POINT POST-SIGNAL

PILOT POINT - AUBREY - PROVIDENCE VILLAGE - CROSS ROADS - KRUGERVILLE - TIOPA

Friday, March 24, 2017

AUBREY COUNCIL SELLS DEVELOPMENT RIGHTS



Vinita Tribble told the Aubrey City Council that she opposed the Winn Ridge development deal with Mustang Special Utility District. Don Munsch/The Post-Signal