



**NORTH TEXAS MUNICIPAL WATER DISTRICT
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**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
FEBRUARY 22, 2024**

The North Texas Municipal Water District (NTMWD) Board of Directors met in a regular meeting on Thursday, February 22, 2024, 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 Richard Peasley called the meeting to order at approximately 2:30 p.m.

President Peasley 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 Peasley led the Pledge of Allegiance.

IV. PLEDGE OF ALLEGIANCE TO THE TEXAS FLAG

President Peasley 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:

DIRECTOR	IN PERSON	REMOTE
Terry Sam ANDERSON	√	
Kalen BOREN		√
John CARR	√	
Rick CROWLEY	√	
George CRUMP	√	
Lori Barnett DODSON	√	
Phil DYER	√	
Joe FARMER	√	
Marvin FULLER		√
David HOLLIFIELD	√	
Chip IMRIE	√	
Blair JOHNSON		√
Ronald KELLEY		√
James KERR	√	
Geralyn KEVER	Absent	
Rick MANN	√	
Jack MAY	√	
Don PASCHAL	√	
Richard PEASLEY	√	
Randy ROLAND	√	
Lynn SHUYLER	Absent	
Keith STEPHENS	√	
Jody SUTHERLAND		√
John SWEEDEN	√	
Larry THOMPSON	√	

The following NTMWD legal and professional consultants attended the meeting:

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

VI. OPENING REMARKS

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

President Peasley reminded Directors that there is a Work Session scheduled for February 29, 2024 from 1:00 p.m. to 4:00 p.m. Lunch will be available at 12:00 p.m.

He reviewed the tentative meeting schedule for March 2024 as follows:

- Wednesday, March 13: Executive Committee
- Wednesday, March 27: Water and Real Estate Committees
- Thursday, March 28: Board Meeting

President Peasley advised that today Director Phil Dyer will recuse himself from discussion and voting on Agenda Item XII. I.

- 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 Jenna Covington announced the recipient of the Carl W. Riehn Employee of The Year Award. She advised this award was created 29 years ago. This year, 36 employees were nominated and there were four finalists: Sedrick Daniels, Jeremy Thompson, Stephanie Steelman and Sheju Vargese. Sheju Vargese, Water Operator II at the Wylie Water Treatment Plant, is this year’s recipient.

Executive Director Covington also announced the Team of The Year Award. There were three teams that were finalists: the 121 RDF Heavy Equipment Operators and Supervisors-Landfill Compaction Improvement; Filter Surveillance Team; and the IT Response Team. Executive Director Covington announced that this year’s Team of The Year Award goes to the IT Response Team for their response to a recent cyber incident. Team members are: Taylor Prentice, Jerry Cashdollar, Robert Munoz, Walter White, David Collins, Landon Cheatham, Erik Mendez, Layne Parrish, Dana Smith, Joe Lynes, Dylan Booth, Tommy Lindquist, and Reba Aarnos.

Executive Director Covington advised that the work session scheduled for February 29th will include discussion of the Customer Premium and of Customer Board representation.

Executive Director Covington stated that the annual Strategic Plan update will be presented at the March Board meeting and the final document will be presented for consideration at the April Board meeting.

Executive Director Covington reviewed the following completed projects:

- 1) Transmission System Water Quality Analyzers Project
- 2) Buffalo Creek Parallel Interceptor Phase I Project
- 3) Final reconciliation of the Fannin County Electric Coop project for Bois d'Arc Lake

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.

There were no requests for public comment.

VIII. **DISCUSSION ITEMS**

- A. Update on Environmental Protection Agency (EPA) proposed regulation and rulemaking process for Per – and Polyfluoroalkyl Substances (PFAS) and NTMWD's planned actions related to anticipated PFAS regulations.

Deputy Director Billy George provided opening comments for this item, reviewing that the Board has discussed PFAS regulations on several occasions previously. He advised that the Environmental Protection Agency (EPA) is proposing regulations that will impact the District's water systems. All systems are "passive receivers", meaning that the systems do not generate PFAS. Following staff's presentation today, the Board will go into Executive Session to further discuss this matter. He noted that in the short term the District should take two actions. The first is a project at Lake Tawakoni where PFAS levels require action. The second is a project to develop a NTMWD roadmap in response to PFAS. Mr. George added that the EPA requirements will not be in effect for several years.

Assistant Deputy Galen Roberts explained that PFAS is a class of chemicals that have been used since the 1940's in household processes, industrial uses and commercial uses. There are two types of PFAS, Perfluorooctanoic acid (PFOA) and Perfluorooctanesulfonic acid (PFOS). Mr. Roberts advised that the process of how PFAS enters the District's water systems is complex, and affects water, wastewater and solid waste.

Mr. Roberts advised that EPA regulations for drinking water systems will be implemented first. He advised that in 2021, the EPA released a 3-year strategic roadmap for addressing PFAS. Draft drinking water regulations have been proposed and will likely be finalized in 2024. Additional regulations may also be forthcoming related to industrial discharges, wastewater effluent permits, water residuals, wastewater biosolids, and more. The NTMWD relies on the EPA and the Texas Commission on Environmental Quality (TCEQ) to establish health-based standards for PFAS and other constituents. NTMWD will continue to meet or exceed all regulatory requirements. Mr. Roberts reviewed the District's PFAS communication efforts and coordination with Member and Customer cities

Mr. Roberts reviewed the District's efforts to determine if action is needed to address PFAS in NTMWD systems as follows:

Tawakoni Water Treatment Plant (WTP) PFAS Evaluation

- Characterize source water quality to determine if action is needed to ensure compliance with forthcoming PFAS drinking water regulations

- Identify which treatment technologies or alternate strategies for addressing PFAS could be utilized at the Tawakoni WTP
- Determine appropriate strategy or combination of strategies for the Tawakoni WTP

PFAS Management Road Map

- Holistic assessment of NTMWD systems to evaluate PFAS occurrence, transport pathways, and sources in Water, Wastewater and Solid Waste Systems
- Evaluate future potential range of PFAS concentrations in NTMWD systems
- Screening of potential strategies for addressing PFAS
- Effort will focus on areas and systems where new PFAS regulation is anticipated

Timelines for each effort may be dependent on having sufficient data and finalized regulations.

Mr. Roberts stated that future updates for each system will be provided to the appropriate Committees, and updates to the Board will be provided as appropriate. Quarterly PFAS sampling will continue. Information from regulators will be tracked and efforts to comply with drinking water regulations will be initiated. The District will continue to communicate with Member Cities and Customers.

IX. EXECUTIVE SESSION

At 3:07 p.m. President Peasley announced the need for an Executive Session of the Board of Directors to discuss items:

- A. Texas Government Code, Section 551.071 Consultation with Attorney
 - 1. Update on Environmental Protection Agency (EPA) proposed regulation and rulemaking process for Per and Polyfluoroalkyl Substances (PFAS) and NTMWD's planned actions related to anticipated PFAS regulations

President Peasley confirmed with staff that the public access line was disconnected and that the audio recording was disabled during 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 4:27 p.m. The public teleconference line was reconnected. No action was taken in Executive Session. No action was taken in Open Session.

A brief recess was taken.

XI. CONSENT AGENDA ITEMS

President Peasley inquired whether any Director would like to remove an item from the Consent Agenda for separate discussion. There were no requests for separate discussion.

Upon a motion by Director Chip Imrie to approve the Consent Agenda items and a second by Director Don Paschal, the Board of Directors voted unanimously to approve the Consent Agenda items.

- A. **January 2024 Regular Board Meeting Minutes**
The Executive Director and NTMWD staff recommend the Board of Directors approve the minutes of the regular Board meeting held on Thursday, January 25, 2024, as presented.
- B. **Modification of Capital Projects Request**
Recommend the Board of Directors approve the February 2024, Modification of Capital Projects Request as presented.
- C. **Sister Grove Regional Water Resource Recovery Facility (RWRRF) – Fiber Optic Connection to Bois d’Arc Treated water Pipeline; Project No. 301-0426B-16; Tabulation of Bids and Award of Contract**
Authorize award of a construction contract for the Sister Grove RWRRF fiber optic connection to the Bois d’Arc Treated Water Pipeline fiber optic line.
- D. **Lake Texoma Outfall to Wylie Water Treatment Plant Raw Water Pipeline; 101-0268-11; Resolution Number 24-04; Conveyance of Permanent Easement**
Adopt a resolution to authorize the Executive Director to execute a permanent easement with Oncor Electric Delivery Company, LLC (Oncor).
- E. **Bois d’Arc Lake Power Supply Final Contract Reconciliation; 101-0362-14**
Authorize the Final Reconciliation with Fannin County Electric Cooperative (FCEC)

XII. **AGENDA ITEMS FOR INDIVIDUAL CONSIDERATION**

GENERAL / ADMINISTRATIVE AGENDA ITEMS

- A. **Annual Comprehensive Financial Report**
Accept submission of the 2022-2023 Annual Comprehensive Financial Report (ACFR).

Director Phil Dyer stated that Crowe, LLP presented the audit results on February 7th to the Finance Committee meeting. The Finance Committee and staff recommend the Board authorize the acceptance of the FY23 ACFR. He noted this was a clean audit with no recommendations.

Upon a motion by Director Phil Dyer and a second by Director Chip Imrie, the Board of Directors voted unanimously to approve.
- B. **Authorization of Execution of Financial Management Analysis Contract**
Authorize execution of a Financial Management Analysis Contract (Independent Financial Review) with Amawalk Consulting Group, LLC.

Director Phil Dyer advised that this item was discussed at the February 7th Finance Committee meeting. The Finance Committee voted to recommend the Board to authorize the execution of a Financial Management Analysis by Amawalk Consulting Group in the amount not to exceed \$174,000.

Upon a motion by Director Phil Dyer and a second by Director Larry Thompson, the Board of Directors voted unanimously to approve.

- C. Buffalo Creek Wastewater Interceptor System Contract Revenue Bonds, Series 2024**
Request authorization to issue Revenue Bonds for the Buffalo Creek Wastewater Interceptor System.

Director Phil Dyer advised that this item was discussed at the February 7th Finance Committee meeting. The Finance Committee voted to recommend the Board adopt Resolution No. 24-05 authorizing the Issuance, Sale and Delivery of North Texas Municipal Water District Buffalo Creek Wastewater Interceptor System Contract Revenue Bonds, Series 2024

This morning eight (8) bids were received. The Baker Group won the bid with an interest rate of 3.618%.

The final par amount is \$8.47 million which is slightly less than the estimated \$8.95 million included in the ad memo.

Upon a motion by Director Phil Dyer and a second by Director James Kerr, the Board of Directors voted unanimously to approve.

- D. Refunding Bonds for Extendable Commercial Paper**
Request authorization to issue Refunding Bonds for the Regional Water System Extendable Commercial Paper Bonds.

Director Phil Dyer advised that this item and the next two items (Items D - F) were discussed at the February 7, 2024 Finance Committee meeting. The Finance Committee voted to recommend the Board of Directors to adopt Resolutions Nos. 24-06, 24-07, and 24-08 authorizing the issuance, sale and delivery of NTMWD Refunding Bonds in amounts not to exceed \$700,000,000 in the Regional Water System, \$400,000,000 in the Regional Wastewater System, and \$150,000,000 in the Upper East Fork Interceptor System.

Upon a motion by Director Phil Dyer to approve Resolution No. 24-06 in the amount of \$700 million (Item D) and a second by Director Chip Imrie, the Board of Directors voted unanimously to approve.

- E. Refunding Bonds for Extendable Commercial Paper Bonds**
Request authorization to issue Refunding Bonds for the Regional Wastewater System Extendable Commercial Paper Bonds.

Upon a motion by Director Phil Dyer to approve Resolution No. 24-07 in the amount of \$400 million (Item E) and a second by Director Chip Imrie, the Board of Directors voted unanimously to approve.

- F. Refunding Bonds for Extendable Commercial Paper Bonds**
Request authorization to issue Refunding Bonds for the Upper East Fork Wastewater Interceptor System Extendable Commercial Paper Bonds.

Upon a motion by Director Phil Dyer to approve Resolution No. 24-08 in the amount of \$150 million (Item F) and a second by Director Larry Thompson, the Board of Directors voted unanimously to approve.

WATER AGENDA ITEMS**G. Memorandum of Understanding between the North Texas Municipal Water District, Upper Trinity Regional Water District, and the Greater Texoma Utility Authority for New Regional Water System Study**

Approve Memorandum of Understanding between the North Texas Municipal Water District (NTMWD), Upper Trinity Regional Water District (UTRWD), and the Greater Texoma Utility Authority (GTUA) regarding a proposed new GTUA Regional Water System Study.

Director John Sweeden advised that the Water Committee reviewed this item yesterday and voted to recommend the Board approve a Memorandum of Understanding between the North Texas Municipal Water District, Upper Trinity Regional Water District and the Greater Texoma Utility Authority regarding a proposed new Greater Texoma Utility Authority Regional Water System Study.

These three entities are interested in supporting a study to explore the development of a new Greater Texoma Utility Authority regional water system to provide service to parts of Grayson, Cooke, and Collin Counties including the City of Celina and the Mustang Special Utility District.

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

H. McKinney Deliver Point No. 3 to McKinney Delivery Point No. 4 Pipeline; Project No. 101-0505-18; Northeast McKinney Pump Station; Project No. 101-0591-21; Construction Management and Inspection Services Agreement

Authorize construction management and inspection services during the construction phase of the new water pipeline project and the new 50 million gallon per day (MGD) pump station located in McKinney.

Director John Sweeden advised that the Water Committee reviewed this item yesterday and voted to recommend the Board authorize construction management and inspection services during the construction phase of the new water pipeline project and the new 50 million gallon per day pump station located in McKinney.

The primary purpose of the pump station and pipeline is to supply growing demands in western portions of NTMWD's North Water Conveyance System from the Leonard Water Treatment Plant.

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

I. Meter Vault Standardization, Set Point Control Implementation Phase IV (Package A); Project No. 101-0338-13, Tabulation of Bids and Award of Contract, Additional Engineering Services, and Inspection Services

Authorize award of a construction contract, additional engineering services, and internal inspection services.

Director John Sweeden advised that the Water Committee reviewed this item yesterday and voted to recommend the Board award a construction contract, additional engineering services, and internal inspection services.

The project includes improving water delivery point infrastructure at three existing locations and adding set point control capabilities to better regulate flows.

Upon a motion by Director John Sweeden and a second by Director Don Paschal, the Board of Directors voted to approve. Director Phil Dyer abstained from voting on this item.

J. Waterline Relocations Along State Highways in Dallas, Rockwall, and Kaufman Counties; Project No. 101-0607-22, Tabulation of Bids and Award of Contract, and Inspection Services

Authorize award of a construction contract and internal inspection services.

Director John Sweeden advised that the Water Committee reviewed this item yesterday and voted to recommend the Board award a construction contract and internal inspection services.

The Texas Department of Transportation is preparing to widen US State Highway 276 in Rockwall County. This TxDOT project will encroach on existing NTMWD water lines and easements, requiring the relocation or protection of infrastructure. NTMWD's costs will be partially reimbursed by TxDOT.

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

WASTEWATER AGENDA ITEMS

K. Buffalo Creek Lift Station No. 2; Project No. 507-0639-24; Buffalo Creek Parallel Force Main; Project No. 507-0640-24; Engineering Services Agreement

Authorize an engineering services agreement for preliminary and final design of the Buffalo Creek Lift Station No. 2 and Buffalo Creek Parallel Force Main projects.

Director Keith Stephens advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize an engineering services agreement for preliminary and final design of the Buffalo Creek Lift Station No. 2 and Buffalo Creek Parallel Force Main projects.

The purpose of these projects is to increase wastewater conveyance capacity to accommodate growth in the cities of Forney, Heath, and Rockwall.

Upon a motion by Director Keith Stephens and a second by Director Chip Imrie, the Board of Directors voted unanimously to approve.

L. Buffalo Creek Parallel Interceptor Phase II; Project No. 507-0636-24; Engineering Services Agreement - Preliminary Engineering

Authorize funding for a preliminary engineering services agreement for design of the Buffalo Creek Parallel Interceptor Phase II project.

Director Keith Stephens advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize funding for a preliminary engineering services agreement for design of the Buffalo Creek Parallel Interceptor Phase II project.

This agreement is to evaluate and select an alignment for the second phase of parallel wastewater interceptor system along Buffalo Creek to accommodate growth in the cities of Forney, Heath, and Rockwall.

Upon a motion by Director Keith Stephens and a second by Director Chip Imrie, the Board of Directors voted unanimously to approve.

M. Sister Grove Regional Water Resource Recovery Facility; Engineering Services, Program Management Services, and Inspection Services Agreement Additional Services; Project No. 301-0426-16

Authorize additional funding for engineering services, program management and inspection services through December 2024 for the Sister Grove Regional Water Resource Recovery Facility (RWRRF) project.

Director Keith Stephens advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize additional funding for engineering services, program management and inspection services through December 2024 for the Sister Grove Regional Water Resource Recovery Facility project. Construction at the Sister Grove Facility is scheduled for completion in 2025.

Upon a motion by Director Keith Stephens and a second by Director James Kerr, the Board of Directors voted unanimously to approve.

N. Sister Grove Regional Water Resource Recovery Facility; Amendment No. 9, Final GMP No. 7 and Change Order No. 5; Project No. 301-0426-16

Authorize funding for Amendment No. 9 to the Construction Manager-At-Risk (CMAR) Agreement for Sister Grove Regional Water Resource Recovery Facility (RWRRF) project.

Director Keith Stephens advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize funding for Amendment No. 9 to the Construction Manager At-Risk Agreement for Sister Grove Regional Water Resource Recovery Facility project.

The CMAR has submitted a change order and partial Guaranteed Maximum Price No. 7 for construction of a chain link fence, a potable water line, and startup and commissioning services. This is the final GMP for Sister Grove Facility.

Upon a motion by Director Keith Stephens and a second by Director Rick Crowley, the Board of Directors voted unanimously to approve.

O. South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow Management and Expansion; Amendment No. 3 and Partial GMP No. 3; Project No. 301-0525-18

Authorize funding for Amendment No. 3 to the Construction Manager-At-Risk (CMAR) Agreement for the South Mesquite Creek Regional Wastewater Treatment Plant (RWWTP) Peak Flow and Expansion project.

Director Keith Stephens advised that the Wastewater Committee reviewed this item yesterday and voted to recommend the Board authorize funding for Amendment No. 3 to the Construction Manager At-Risk Agreement for the South Mesquite Creek Regional Wastewater Treatment Plant Peak Flow and Expansion project.

The CMAR has submitted a partial Guaranteed Maximum Price No. 3 for construction of an early electrical equipment procurement work package. Future amendments will be presented to the Board as the remaining work packages are developed, procured, and evaluated.

Upon a motion by Director Keith Stephens and a second by Director Rick Mann, the Board of Directors voted unanimously to approve.

LAND ACQUISITION / RIGHT OF WAY AGENDA ITEMS

P. Pipeline Relocation at US 380, FM 1641 and FM 741; 101-0619-22; Resolution No. 24-03; Right of Way Acquisition Program

Authorize funding and resolution to approve a Right-of-Way acquisition program for the Pipeline Relocation at US 380, FM 1641 and FM 741 project.

Director Terry Sam Anderson advised that this item was discussed at the January 24, 2024, Real Estate Committee meeting.

This item authorizes the Executive Director to execute a right-of-way acquisition program for the Pipeline Relocation at US 380, FM 1641 and FM 741 with a budget of \$18,300,000.

Approximately 56,000 linear feet of NTMWD pipelines must be relocated to facilitate TxDOT's proposed roadway expansion. Design, ROW, construction, and inspection costs are subject to TxDOT reimbursement upon completion of the project.

Upon a motion by Director Terry Sam Anderson and a second by Director Rick Mann, the Board of Directors voted unanimously to approve.

XIII. CLOSING ITEMS

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

President Peasley advised that he visited with Director Lynn Shuyler recently and learned that Mr. Shuyler has experienced technical difficulties with online access to attend the meetings.

President Peasley requested a follow up to the Board regarding Sister Grove and the required testing as it relates to opening the facility.

Director Jack May inquired what the status is of potential energy costs rebates from Ercot. Executive Director Covington advised she will follow up with the District's Energy Manager and report back. Director May also inquired about the fire that occurred at Riverby Ranch and the extent of the damage to vegetation. Deputy Director George advised that until spring growth starts it is difficult to assess the full extent of the damage. He will provide an update on this at a Water Committee meeting. Mr. George added that fire services have added more on-site abilities to respond to brush fires.

XIV. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 5:12 p.m.

APPROVED:

RICHARD PEASLEY, President

ATTEST:

DAVID HOLLIFIELD, Secretary

DRAFT