



MINUTES

UPPER TRINITY REGIONAL WATER DISTRICT BOARD OF DIRECTORS September 2, 2021

REGULAR SESSION BOARD MEETING

1. Call to Order

The Board of Directors of the Upper Trinity Regional Water District (UTRWD) convened in Regular Session Board Meeting with President Brian Roberson presiding at 12:55 PM on Thursday, September 2, 2021.

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:

Brian Roberson, President, Aubrey
Clay Riggs, Treasurer, Flower Mound
Troy Norton, Argyle
Corbett Howard, Celina
Stephen Moore, Denton
Gary Calmes, Denton County at Large
Kevin Mercer, DCFWSD #7
Richard Lubke, Highland Village
Greg Scott, Justin
Allen McCracken, Pilot Point

Bob Hart, Vice President, Corinth
Lyle Drescher, Secretary, Northlake
Del Knowler, Bartonville
Mark Pape, Copper Canyon
Johnny Harris, Denton County
Kristina Clark, DCFWSD #1A
Dave Nelson, Double Oak
Orlando Sanchez, Irving
Chris Boyd, Mustang SUD
Frank Jaromin, Prosper

Absent:

Mike Fairfield, Lake Cities MUA*
Michael Anderson, Ponder*

Eric Ferris, Lewisville*
Tracy LaPiene, Sanger*

* Excuse Absent

Vacant: Krum

Staff & Advisors in Attendance:

Larry N. Patterson, Executive Director
Nancy Tam, Assistant to Executive Director
Tom Snyder, Director of Eng & Constr
Jody Zabolio, Director of Op. & Water Res
Ronna Hart, Manager of Water Resources
Adam McKnight, Sr. Professional Engineer
Jan Morris, Assistant Director for Administration
Marcos Zepeda, IT Specialist
Robert Collins, Bond Counsel

Matthew Boyle, Boyle & Lowry LLP
Bill Greenleaf, Chief Financial Officer
Kurt Staller, Assistant Director, Eng & Const
Ed Motley, LRH Program Manager
Jason Pierce, Manager of Governmental Affairs
Todd Williams, Mgr of Budget & Financial
Doug Janeway, Manager of Property Services
Nick Bulaich, Financial Advisor

Others in Attendance:

Alan Tucker, Plummer Associates, Inc.

3. Pledge of Allegiance and Invocation

Pledge of Allegiance was led by Rich Lubke. The Invocation was delivered by Gary Calmes.

4. Oath of Office

President Roberson welcome and recognized Mr. Dave Nelson, newly appointed Board Director from the Town of Double Oak. Nelson is a retired Pilot from American Airline; he is a longtime resident of Double Oak.

Roberson administered the Oath of Office for the following:

- Mark Pape, Town of Copper Canyon (B-Term renewal)
- Orlando Sanchez, City of Irving (B-Term renewal)
- Dave Nelson, Town of Double Oak to fill vacated position previously held by Dick Cook.

5. Opening Remarks:

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

Roberson commented that time is moving by fast and our many communities are growing fast also. With the beginning of another budget year, we are ready to move forward for another productive year!

- 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.

- Larry Patterson provided an update on the Lake Ralph Hall Project.
- At the Stonehill Pump Station, with cooperation from Flower Mound, the driveway has now been improved – at a lower cost. Thanks Clay!
- For the month of August, the water usage has increased significantly. The Max Day was August 12, system demands was 65.878 MG.
- There were a few employees/family members have tested positive for Covid-19. They are being quarantined accordingly.

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

None.

6. Visitor Comments Concerning Agenda Topics.

None.



CONSENT AGENDA

Rich Lubke made the motion to approve the Consent Agenda Items No. 7 – 9. Seconded by Kristina Clark. The *Roll Call Vote* was 19 Yes, 0 No, 4 absent (Fairfield, Ferris, Anderson, Lapiene); motion carried. The approved Consent Agenda items were:

7. Adopt minutes of August 5, 2021 Board Meeting.
8. Accept Monthly Management Report for the period ended July 31, 2021.
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 the Regional Treated Water System
- B. Wholesale Rates for the Lakeview Regional Water Reclamation System
- C. Wholesale Rates for the Northeast Water Reclamation System
- D. Wholesale Rates for the Peninsula Water Reclamation Plant
- E. Wholesale Rates for the Non-Potable Water Service
- F. Rates for Collection of Household Hazardous Waste
- G. Administrative/Planning and Growth Program Fees (Approved by Budget Adoption)

Rich Lubke made the motion to approve Agenda Item No. 10 as presented by staff.

Seconded by Stephen Moore. The *Roll Call Vote* was 19 Yes, 0 No, 4 absent (Fairfield, Ferris, Anderson, Lapiene); motion carried.

11. Consider Adoption of Budgets for Fiscal Year 2021 – 2022:

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

Frank Jaromin made the motion to approve Agenda Item No. 11 as presented by staff.

Seconded by Lyle Dresher. The *Roll Call Vote* was 19 Yes, 0 No, 4 absent (Fairfield, Ferris, Anderson, Lapiene); motion carried.

12. Presentation of 5-Year Rate Forecast for the Regional Treated Water System (RTWS).

Bill Greenleaf provided the 5-year Rate Forecast to the Board. 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 evaluation, the five-year forecast appears to show a blended rate impact increases ranging from 3.75% to 5.75%.

This is an informational item only. No action was required.

13. Consider approval of a Financing Agreement with the Texas Water Development Board (TWDB) under the State Water Implementation Fund for Texas (SWIFT) Program for the Regional Treated Water System — Board Participation for the Lake Ralph Hall Project. **(Weighted Capital Vote)**

For the Regional Treated Water Supply System, Lake Ralph Hall Project, the Total TWDB FY 2021 Commitment to the Project is \$135.5 million. Board Participation Funding including Term of Financing (34 years), No Compounding Interest on Deferred Interest Payments, and will Fund Up to 80% of the Total Project Cost.



Staff recommended approval of the presented Financing Agreement for the TWDB SWIFT “Board Participation” Program. **Bob Hart made the motion to approve Agenda Item No. 13 as presented by staff. Seconded by Lyle Dresher.** The *Weighted Capital Vote* was 36 Yes, 0 No, 6 absent (Fairfield, Ferris, Anderson, Lapiene); motion passed.

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Howard	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Moore	2	2		
DC AT-LARGE - Calmes	1	1		
DCFWS #1A – Clark	2	2		
DCFWS #7 – Mercer	2	2		
DOUBLE OAK – Nelson	1	1		
FLOWER MOUND – Riggs	9	9		
HIGHLAND VILLAGE – Lubke	2	2		
IRVING – Sanchez	2	2		
JUSTIN – Scott	1	1		
KRUM - (vacant 1 vote)				
LAKE CITIES MUA – Fairfield	2			2
LEWISVILLE – Ferris	2			2
MUSTANG SUD – Boyd	3	3		
NORTHLAKE – Dresher	1	1		
PILOT POINT – McCracken	1	1		
PONDER – Anderson	1			1
PROSPER – Jaromin	1	1		
SANGER – LaPiene	1			1
TOTAL	42	36	0	6

14. Consider approval of a Financing Agreement with the Texas Water Development Board (TWDB) under the State Water Implementation Fund for Texas (SWIFT) Program for the Regional Treated Water System — Board Participation for the Northeast Pipeline Project. (Weighted Capital Vote)

For the Regional Treated Water Supply System, Northeast Pipeline Project, the Total TWDB FY 2021 Commitment to the Project is \$10.605 million. Board Participation Funding including Term of Financing (34 years), No Compounding Interest on Deferred Interest Payments, and will Fund Up to 75% of the Total Project Cost.



Staff recommended approval of the presented Financing Agreement for the TWDB SWIFT “Board Participation” Program. **Bob Hart made the motion to approve Agenda Item No. 14 as presented by staff. Seconded by Lyle Dresher.** The *Weighted Capital Vote* was 36 Yes, 0 No, 6 absent (Fairfield, Ferris, Anderson, Lapiene); motion passed.

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Howard	2	2		
CORINTH – Hart	3	3		
DENTON (CITY) – Moore	2	2		
DC AT-LARGE - Calmes	1	1		
DCFWS #1A – Clark	2	2		
DCFWS #7 – Mercer	2	2		
DOUBLE OAK – Nelson	1	1		
FLOWER MOUND – Riggs	9	9		
HIGHLAND VILLAGE – Lubke	2	2		
IRVING – Sanchez	2	2		
JUSTIN – Scott	1	1		
KRUM - (vacant 1 vote)				
LAKE CITIES MUA – Fairfield	2			2
LEWISVILLE – Ferris	2			2
MUSTANG SUD – Boyd	3	3		
NORTHLAKE – Dresher	1	1		
PILOT POINT – McCracken	1	1		
PONDER – Anderson	1			1
PROSPER – Jaromin	1	1		
SANGER – LaPiene	1			1
TOTAL	42	36	0	6

- Consider authorizing the Executive Director to sign an Engagement Letter with Deloitte and Touche, LLP, the District’s external auditor to conduct the District’s FY2021 annual financial audit.

The FY 2021 audit represents the 2nd year of the 3-year term. The proposed cost of \$166,000 is consistent with the amount specified in the agreement. Staff recommends approval of the Engagement Letter with Deloitte and Touche for the FY 2021 Audit. **Gary Calmes made the motion to approve Agenda Item No. 15 as presented by staff. Seconded by Kristina Clark.** The *Roll Call Vote* was 19 Yes, 0 No, 4 absent (Fairfield, Ferris, Anderson, Lapiene); motion carried.



Corbett Howard left meeting 1:47 P.M.

16. Consider approval of the Amended and Restated Contract between City of Irving and the District regarding Transportation and Delivery of Water from Chapman Lake and Lake Ralph Hall.

The key provisions of the proposed contract are:

- Provides a 30-yr term with renewal options.
- District’s share of Phase 2 facilities increases from 22.94% to 43%.
- Facilities needed to transport Lake Ralph Hall water will be built and owned by District (except Irving’s PBPS and Phase II pipeline).
- Option for either party to purchase surplus water from the other party.
- Irving may purchase up to 5 MGD of Temporary surplus LRH water for 5 years.
- Make whole payment to Irving for transfer of additional capacity to District.

President Roberson commented that the proposed contract is a win-win for both the City of Irving and the District. Orlando Sanchez thanked Larry Patterson for his detailed review and extensive engaged negotiation of the Contract.

Staff recommends approval of the draft Amended and Restated Contract between the District and the City of Irving for Transportation and Delivery of Water, subject to any minor, non-substantiative changes that may be mutually agreed to by the parties, with concurrence of the District’s general counsel. **Kevin Mercer made the motion to approve Agenda Item No. 16 as presented. Seconded by Dave Nelson.** The *Weighted Capital Vote* was 34 Yes, 0 No, 8 absent (Howard, Fairfield, Ferris, Anderson, Lapiene); motion passed.

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Roberson	1	1		
BARTONVILLE – Knowler	1	1		
CELINA – Howard	2			2
CORINTH – Hart	3	3		
DENTON (CITY) – Moore	2	2		
DC AT-LARGE - Calmes	1	1		
DCFWSO #1A – Clark	2	2		
DCFWSO #7 – Mercer	2	2		
DOUBLE OAK – Nelson	1	1		
FLOWER MOUND – Riggs	9	9		
HIGHLAND VILLAGE – Lubke	2	2		
IRVING – Sanchez	2	2		
JUSTIN – Scott	1	1		
KRUM - (vacant 1 vote)				
LAKE CITIES MUA – Fairfield	2			2



LEWISVILLE – Ferris	2			2
MUSTANG SUD – Boyd	3	3		
NORTHLAKE – Dresher	1	1		
PILOT POINT – McCracken	1	1		
PONDER – Anderson	1			1
PROSPER – Jaromin	1	1		
SANGER – LaPiene	1			1
TOTAL	42	34	0	8

17. Executive Session concerning granting or acquisition of easements, rights-of-way and other property including leases 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, regarding potential lawsuit related to construction projects; 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 2:05 PM.
 The Board returned to open meeting at 2:51 P.M.

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

None.

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

None.

20. Visitor Comments Concerning Non-Agenda Topics.

None.

21. Adjournment.

There being no further business, President Roberson adjourned the meeting at 2:53 P.M.

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

Certified by: 
 Lyle Dresher, Secretary, Board of Directors

