



MINUTES

UPPER TRINITY REGIONAL WATER DISTRICT BOARD OF DIRECTORS

THURSDAY, OCTOBER 1, 2020

REGULAR SESSION BOARD MEETING (BY TELECONFERENCE)

1. Call to Order

The Board of Directors of the Upper Trinity Regional Water District (UTRWD) convened in Regular Session Board Meeting by teleconference, with President Richard Lubke presiding at 1:15 PM on Thursday, October 1, 2020.

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, President, Highland Village
Bob Hart, Treasurer, Corinth
Troy Norton, Argyle
James Burnham, Celina
Frank Pugsley, Denton
Gary Calmes, Denton County at Large
Kevin Mercer, DCFWSD #7
Greg Scott, Justin
Mike Fairfield, Lake Cities MUA
Chris Boyd, Mustang SUD
Allen McCracken, Pilot Point
Frank Jaromin, Prosper

Brian Roberson, Vice President, Aubrey
Clay Riggs, Secretary, Flower Mound
Del Knowler, Bartonville
Mark Pape, Copper Canyon
Johnny Harris, Denton County
Kristina Clark, DCFWSD #1A
Orlando Sanchez, Irving
Devon Kennedy, Krum
Eric Ferris, Lewisville
Lyle Drescher, Northlake
Michael Anderson, Ponder
Tracy LaPiene, Sanger

Absent:

Dick Cook, Double Oak*

* Excuse Absent

Staff & Advisors in Attendance:

Larry N. Patterson, Executive Director
Nancy Tam, Assistant to Executive Director
Tom Snyder, Director Const. & Eng.
Mark Skaggs, Manager / IT Services
Adam McKnight, Sr. Professional Engineer
Doug Janeway, Manager of Property Services

Matthew Boyle, General Counsel
Bill Greenleaf, Chief Financial Officer
Jody Zabolio, Director of Op. & Water Res
Ed Motley, LRH Program Manager
Elizabeth Boddicker, Graduate Engineer

3. Pledge of Allegiance and Invocation

Eric Ferris led the Pledge of Allegiance. There was no Invocation delivered at the meeting.

4. Opening Remarks:

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

City of Irving appointed Mr. Orlando Sanchez, Assistant City Manager to serve the remainder of Ramiro Lopez's term. President Lubke administered the Oath of Office and welcomed him to the Board.

- 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.

- The water demand for this time of the year continues to be above normal levels. We are meeting the needs of our Members. All water treatment and pumping systems are operating well.
- District employees were saddened that we lost a long time Plant Operator and friend for the Lakeview Plant. Ernie Lucas passed away after a battle with cancer. He was a dedicated employee, a wonderful person; he will be missed. He worked for the District for 25 years.

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

- Jody Zabolio informed the Board of the following Awards:
 - The National Association of Clean Water Agencies (NACWA) recognizes agencies for excellence in wastewater treatment. Performance is measured according to compliance with the regulatory permits issued for each plant. This year, three of Upper Trinity's Water Reclamation Plants received the top award - Platinum Peak Performance Award for 100% compliance with permits for 5 or more years).
 - The Riverbend, Peninsula and Lakeview Water Reclamation Plants have achieved perfect permit compliance for 12 years, 16 years and 21 years, respectively.
 - The Doe Branch Plant will be recognized with a Gold Award for 100% compliance during 2019 – its fourth year of operation.
 - In addition, the District has been notified of its selection as a Platinum Awardee for "Management Performance."
 - The District will receive these awards during a NACWA virtual awards ceremony to be conducted on October 28, 2020.
- As a follow-up in honor of General Counsel Mr. John Boyle, Executive Director Patterson and President Lubke presented a framed "Resolution of Appreciation" to Matthew Boyle for Mr. Boyle's dedicated service and friendship over the years.

5. Public Comments Concerning Agenda Topics.

None.



CONSENT AGENDA

For the Consent Agenda, **Kristina Clark made the motion to approve Items 6-10 as recommended by staff. Seconded by Kevin Mercer.** The *Roll Call Vote* was 22 yes, 0 No, 2 absent (Calmes, Cook), motion carried. The Consent Agenda items approved were:

6. Adopt minutes of September 3, 2020 Board Meeting.
7. Receive report of construction change orders approved by staff.
8. Authorize advertisement for bids for Taylor Regional Water Treatment Plant Dredging Project.
9. Authorize advertisement for bids for Taylor Regional Water Treatment Plant Filter Improvements Project.
10. Authorize the Executive Director to enter into two pricing agreements with Rapier and Associates and Russell Madden, Inc. for HVAC and Electrical Services.

ITEMS FOR INDIVIDUAL CONSIDERATION

11. Texas Water Development Board (TWDB) Funding Agreement Items: (Weighted Capital Vote)

- A. Consider Bond Resolution authorizing the issuance and sale of Upper Trinity Regional Water District Regional Treated Water Supply System Revenue Bonds, Series 2020A in an Aggregate Principal Amount of \$15,840,000 related to financial assistance from the Texas Water Development Board (for Regional Treated Water System Parallel Pipeline Project).

The TWDB SWIFT Program low-interest loans include an additional 25% interest rate subsidy from the TWDB. The true interest cost of the SWIFT funding is expected to be approximately 1.77%. The term of the bonds will be 25 years.

Staff recommends that the Board approve the Bond Resolution as a companion document to the previously approved Financing Agreement, subject to any non-substantive changes mutually agreed prior to final execution.


- B. Consider Bond Resolution authorizing the issuance and sale of Upper Trinity Regional Water District Regional Treated Water System Revenue Bonds, Series 2020B in an Aggregate Principal Amount of \$15,000,000 related to financial assistance from the Texas Water Development Board (for Lake Ralph Hall).

The TWDB "Deferred Interest" Bonds have an estimated true interest cost of \$1.67% and a 30-year term. No payments are required by the District until February 2029; no additional interest is calculated on interest being deferred.

Staff recommends that the Board approve the Bond Resolution as a companion document to the previously approved Financing Agreement, subject to any non-substantive changes mutually agreed prior to final execution.

- C. Consider approval of the proposed Resolution and Master Agreement for Texas Water Development Board "Board Participation" in Lake Ralph Hall funding, as previously approved in the amount of \$120,000,000.

TWDB will provide up to 80% of the project cost through Board Participation as equity ownership in the project. The District would repurchase the TWDB's equity interest in increments as needed according to the deferred repayment reschedule. Over time, the TWDB's equity interest would



be repurchased at original cost, with no compounding of deferred interest. TWDB “Board Participation” financing is considered “junior lien” debt – meaning that it is not issued on parity with other District bonds. This allows more flexibility for the District when planning future bond issues. The term of financing will be 34 years.

Staff recommends that the Board approve the proposed Resolution and Master Agreement as a companion documents to the previously approved Financing Agreement, subject to any non-substantive changes mutually agreed prior to final execution.

The proposed Bond Resolutions and Master Agreement have been thoroughly reviewed by Staff, Bond Counsel and Financial Advisor. **Bob Hart made a motion to approve Item Nos. 11A, 11B & 11C as recommended by Staff. Seconded by Frank Pugsley.** The *Weighted Capital Vote* was 41 Yes, 0 No, 2 absent (Calmes, Cook), motion carried:

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) – Pugsley	2	2		
DC AT-LARGE - Calmes	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 – Sanchez	2	2		
JUSTIN – Scott	1	1		
KRUM - Kennedy	1	1		
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 – LaPlene	1	1		
TOTAL	43	41	0	2

12. Ratify Emergency Purchase Order with Shermco Industries for repair of the motor for High Service Pump No. 7 at the Taylor Regional Water Treatment Plant in the amount of \$82,727.00.

On September 13th, the High Service Pump No. 7 (2,000 HP) at the Taylor Plant shut off due to a fault alarm. On-site evaluation by Maintenance staff and Shermco Industries technicians determined that the motor winding had shorted out. Due to criticality of this pump, an Emergency Purchase Order was issued to repair the motor.

Bob Hart made the motion to approve Item No. 12 as recommended by staff. Seconded by Lyle Dresher. The *Roll Call Vote* was 22 yes, 2 absent (Calmes, Cook), motion carried.

Gary Calmes joined the meeting at 1:43 P.M.

13. Engineering Contracts and Task Orders: (Weighted Capital Vote)

- A. Consider approval of Task Order No. 5 with Carollo Engineers, Inc. related to design and construction services for Harpool Regional Water Treatment Plant Raw Water Storage Diurnal Pond and other related Improvements.

According to the August 2018 Harpool Facility Implementation Plan, it recommended a phased approach of improvements to increase plant capacity and efficiency. The next phase of improvements includes to increase raw water storage needed to provide for greater reliability, operability and to facilitate plant and pipeline maintenance.

Staff recommends approval of Task Order No. 5 with Carollo Engineers, Inc. for professional services related to design and construction services for Harpool Regional Water Treatment Plant Raw Water Storage Diurnal Pond and other related improvements at Harpool RWTP for a not to exceed amount of \$693,000.

- B. Consider approval of Task Order No. 6 with Carollo Engineers, Inc. related to bidding and construction services for Taylor Regional Water Treatment Plant Filter Improvement Project.


Due to past filter underdrain failures, the District is replacing the remaining four filters underdrains and associated media prior to operational failure that would impact Taylor Plant capacity. Carollo Engineers, Inc. was retained to provide engineering services on the previous two filter replacement projects.

Board authorize proposed Task Order No. 6 with Carollo Engineers, Inc. for professional services related to bidding and construction services for Taylor Regional Water Treatment Plant Filter Improvement project for a not to exceed amount of \$81,822.00.

Bob Hart made a motion to approve Item Nos. 13A & 13B as recommended by Staff. Seconded by Greg Scott. The *Weighted Capital Vote* was 42 Yes, 0 No, 1 absent (Cook), motion carried.

14. Consider a Resolution authorizing the Executive Director to enter into an Advanced Funding Agreement with the Texas Department of Transportation for relocation of State Highway 34 over the North Sulphur River (TxDOT CSJ Number 0174-03-042), State Highway 34 over Merrill Creek (TxDOT CSJ Number 0174-03-043), and Farm to Market 1550 (TxDOT CSJ Number 0901-32-107) necessary for development of the Lake Ralph Hall Project. (Weighted Capital Vote)

Lake Ralph Hall will inundate portions of two roadways maintained by the Texas Department of Transportation (TxDOT) - - State Highway 34 (SH 34), and Farm to Market Road 1550. Staff has negotiated an Advanced Funding Agreement (AFA) with TxDOT to facilitate the relocations. District will be responsible for the design and construction of the new roadways and bridges. TxDOT has specified



that the new roadways and bridges be designed and constructed according to TxDOT standards. TxDOT will review the plans and specifications to ensure that their standards are met.

District's General Counsel has reviewed the AFA Agreement and his comments have been addressed and resolved with TxDOT. Staff recommends approval of the Resolution authorizing the Executive Director to enter into an Advanced Funding Agreement with the Texas Department of Transportation for relocation of State Highway 34 over the North Sulphur River (TxDOT DSJ Number 0174-03-042), State Highway 34 over Merrill Creek (TxDOT CSJ Number 0174-03-043), and Farm to Market 1550 (TxDOT CSJ Number 0901-32-107).

Eric Ferris made a motion to approve Item No. 14 as recommended by staff. Seconded by Kevin Mercer. The *Weighted Capital Vote* was 42 Yes, 0 No, 1 absent (Cook), motion carried.

15. 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, 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 1:56 P.M.
The Board returned to open meeting at 2:11 P.M.

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

The Board discussed the acquisition of the following property items in Executive Session necessary for the following projects:

- A. Easement Extension–NE Service Area: Authorizes the Board to acquire certain easement(s) (Letter Agreement with Dr. Horton) for future extension of services to the NE Service area.

Frank Jaromin made a motion to approve Item No. 16A as recommended by staff. Seconded by Lyle Dresher. The *Weighted Capital Vote* was 42 Yes, 0 No; 1 absent (Cook), motion carried.


- B. Lake Ralph Hall Project: The Board discussed the acquisition of the following property items:

- Parcel P195-LRH (Secret Seventy-Pete Ganis) -- Exchange UTRWD Surplus (LRH 39 - Flener)
- Parcel P196-LRH (RHL 34-95 Partnership)
- Parcel P197-LRH (RHL 34-95 Partnership)
- Parcel P198-LRH (Chenglie Pan and Katherine Wang)

Kristina Clark made a motion to approve Item No. 16B as recommended by staff. Seconded by Greg Scott. The *Weighted Capital Vote* was 42 Yes, 0 No, 1 vote absent (Cook), motion carried.

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

President Lubke suggested that, if possible, for the Board to have an in-person Board Meeting for November 5th, providing that we can practice social distancing and all wear masks.



18. Public Comments Concerning Non-Agenda Topics.

None.

19. Adjournment.

There being no further business, President Lubke adjourned the meeting at 2:14 P.M.

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

Certified By: R.D. H. for
Clay Riggs, Secretary, Board of Directors

