



MINUTES

UPPER TRINITY REGIONAL WATER DISTRICT BOARD OF DIRECTORS MEETING

March 5, 2015

REGULAR SESSION BOARD MEETING

1. Call to Order

The Board of Directors of the Upper Trinity Regional Water District convened, with President Todd Madison presiding, at 2:30 P.M. on Thursday March 5, 2015, at the UTRWD Board Meeting Room, 900 N. Kealy, Lewisville, TX 75057.

2. Roll Call

The attendance of the Board of Directors was taken. A quorum was present for the meeting.

Board Members in Attendance:

Todd Madison, President, Lincoln Park
Chris Boyd, Treasurer, Mustang SUD
Troy Norton, Argyle
Janet Aune, Copper Canyon
Jean Campbell, Denton County At-Large
Kevin Mercer, DCFWSD #7
Kenneth Parr, Flower Mound
Mike Fairfield, Lake Cities MUA
Leslie Maynard, Oak Point
Richard Huckaby, Ponder

Lance Vanzant, Vice President, Celina
Gary Calmes, Secretary, Krum
Del Knowler, Bartonville
Justin Brown, Corinth
Jerry Benetato, DCFWSD #1A
Dick Cook, Double Oak
Richard Lubke, Highland Village
Lathan Watts, Lewisville
Scott Ingalls, Pilot Point
George Dupont, Prosper

Board Members Absent:

Kenneth Faulkner, Aubrey *
Johnny Harris, Denton County *
Virginia Blevins, Justin *

Timothy Fisher, Denton *
Ramiro Lopez, Irving *
Mike Brice, Sanger *

* Excused Absence

Staff & Advisors in Attendance:

Thomas E. Taylor, Executive Director
Larry Patterson, Deputy Executive Director
Tom Snyder, Ass't Director / Eng & Const
Jody Zabolio, Ass't Director / Operations
Lester Harris, Accounting Manager
Mark Skaggs, MIS Analyst

John F. Boyle, Jr., General Counsel
Bill Greenleaf, Director / Business Services
Nancy Tam, Assistant to Executive Director
Jason Pierce, Mgr / Watershed & Contract Srvc
Jan Morris, Budget Manager
Rob Collins, Bond Counsel

Others in Attendance:

Terry Kile, Deloitte & Touche

Nick Bulaich, First Southwest

3. Pledge of Allegiance and Invocation

Pledge of Allegiance: Kevin Mercer

Invocation: Rich Lubke

4. Opening Remarks:


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

President Madison thanked everyone for attending the meeting with the inclement weather we have had this week.

- 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.

- A hand-out related to the District's history project was distributed. Past Presidents were asked to write about their experiences, projects and important events while on the Board. This will be an on-going project.

The hand-out today is by John F. Boyle, Jr., General Counsel for the District, about an event that occurred before the District was formed. Other writings will be distributed from time to time.

- Regarding the northeast Denton County service area - - Mustang SUD is the primary party that has most of the area in its CCN. There are two emerging cities (Celina, Aubrey) will be annexing much of this territory. However, the CCN will probably remain under Mustang, unless these cities desire to take over the CCN which includes water supply service to their customers. It may be a long process involved in the decision, and Upper Trinity will be involved as a neutral party. All three entities involved are members of the District, and anyone needing the District's assistance will have it.
 - Concerning the northeast area, in the foreseeable future (next ten years) will be the fastest growing portion of the District's service area. The District is seeing growth throughout its area from Justin in the southwest corner, to Pilot Point, Celina and Sanger.
 - Texas Water Development Board has a SWIFT Program and the District has a preliminary application pending for financial assistance for its water system. However, there is no similar program for wastewater. The District is being faced with some substantial expansions of wastewater capacity and pipeline capacities in the northeast. It could be a potential burden for customers in building for the growth that is about to take place in the next few years. We are approaching the Texas Water
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Development Board to see if by special agreement, modify one of their existing programs or see if there is any way to get financial assistance for wastewater system that would offer some benefits under the circumstances that we have. Chris Boyd, David Medanich and staff (Bill Greenleaf and Tom Taylor) will be going to Austin to talk with the TWDB on Wednesday. They will report back to the Board.

- The oral argument for the NWF challenge to the District's water permit was conducted this week in Austin - - no testimony. The judge has indicated that he will rule this Friday.
- The Open House and Ribbon Cutting Ceremony will be held at the Caylor House in Ladonia this Friday. This will be the field office for the LRH Project.

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

President Madison requested a motion to approve the Consent Agenda. **Lance Vanzant made a motion to approve the Consent Agenda. Seconded by Leslie Maynard.** The votes were all yes. Motion carried. The approved items were:

6. Adopt minutes of February 5, 2015 Board Meeting.
7. Accept Monthly Management Report for the period ended January 31, 2015
8. Accept Comprehensive Annual Financial Report (CAFR) and related documents for Fiscal Year Ended September 30, 2014, including:
 - A. Audit Report prepared by Deloitte & Touche, Independent Auditors.
 - B. Auditors Report to Management (the Management Letter).

ITEMS FOR INDIVIDUAL CONSIDERATION

9. Consider approval of resolution to authorize the "PRICING COMMITTEE" (Executive Director and Treasurer or other Board Officer) to award the sale of Bonds in accordance with specified parameters; authorizing the issuance and sale of Upper Trinity Regional Water District Regional Water System Revenue Refunding bonds, SERIES 2015, in an aggregate principal amount not to exceed \$55.0 million; providing for the authorizing and execution and delivery of a Purchase Contract, an Escrow Agreement, and a Paying Agent/Registrar Agreement; approving the Official Statement with respect to the Bonds; and enacting other provisions relating thereto. **(Weighted Capital Vote)**



To continue the efforts to reduce costs, the District’s Financial Advisor is recommending that the Series 2004 and Series 2005 Regional Treated Water System Bonds be refunded, to take advantage of historically low interest rates. Potential savings are estimated to be approximately \$4.67 million, an average of \$330,000 a year over the repayment period.

The Finance Committee has met recently to review this matter, and recommends approval of the Bond Resolution to authorize the Bond Sale for the Regional Treated Water System.

Rob Collins (Bond Counsel) and Nick Bulaich (Financial Advisor) were available to answer questions from the Board.

Del Knowler made a motion to approve Item No. 9. Seconded by Jean Campbell. The votes were 34 Yes; motion carried. The *Weighted Capital Vote* proceeded as follows:

ENTITY	ELIGIBLE WEIGHTED VOTE	YES	NO	ABSENT
ARGYLE – Norton	1	1		
AUBREY - Faulkner	1			1
BARTONVILLE – Knowler	1	1		
CELINA – Vanzant	1	1		
CORINTH – Brown	3	3		
DENTON (CITY) – Fisher	2			2
DC AT-LARGE - Campbell	1	1		
DCFWSD #1A – Benetato	2	2		
DCFWSD #7 – Mercer	1	1		
DOUBLE OAK – Cook	1	1		
FLOWER MOUND – Parr	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 – Watts	2	2		
LINCOLN PARK – Madison	1	1		
MUSTANG SUD - Boyd	2	2		
OAK POINT - Maynard	1	1		
PILOT POINT - Ingalls	1	1		
PONDER - Huckaby	1	1		



PROSPER - Dupont	1	1		
SANGER – Brice	1			1
TOTAL	41	34		7

10. 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; 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.

None.

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

None.

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

- President Madison reminded the Board that election of new officers will be held in May. If anyone would like to step up to serve this Board as officer, please let him know.
- Richard Huckaby suggested that staff to evaluate the current rate structure to reflect the current growth rate of the economy. Concerning reserve funds, are we building equity at the expense of our current users that future users are going to benefit from?

13. Visitor Comments Concerning Non-Agenda Topics.

None.

14. Adjournment.

With no further business, President Madison adjourned the meeting at 3:00 P.M.

Recorded By:


Nancy T. Tam, Assistant Secretary, Board of Directors

Certified By:


Gary Calmes, Secretary, Board of Directors

