

**MINUTES OF THE BOARD OF DIRECTORS
OF THE DALLAS COUNTY PARK CITIES
MUNICIPAL UTILITY DISTRICT
HELD 9:00 A.M., TUESDAY JULY 11, 2023
AT 1811 REGAL ROW, DALLAS,
DALLAS COUNTY, TEXAS**

**ITEM I
ADMINISTRATIVE PROVISION
V.T.C.A §49.100**

1. NOTICE OF MEETING. §49.063

The notice of the meeting was posted, Tuesday, July 4, 2023, at 10:00 a.m. and remained posted until Tuesday July 11, 2023 at 12:00 p.m.

2. MEETING CALLED TO ORDER §49.064

The meeting was called to order by Mr. Jamie Cornelius, President of the Board of Directors.

3. ROLL CALL

Directors Attending

Jamie Cornelius, President
Neil Harris, Vice President
Mike McKenzie, Secretary
John Denman, Director
John Wagner, Director

Others Attending

Hector Ortiz, General Manager
Brent Jordan, Systems Analyst
Trey Wimpey, Instrument Tech I
Tobin Maples, Town of Highland Park
Robbie Corder, City of University Park
Steve Alexander, Town of Highland Park
Tom Tvardizik, City of University Park

4. CONSIDER MINUTES OF PREVIOUS MEETING(S) §49.065

A regular meeting of the Board was held on June 13, 2023. Drafts of the meeting minutes were included in the Board packet for consideration by the Board of Directors. John Denman noted that he was not present on the last Board meeting held on June 13. Meeting minutes were updated and a motion was made by Mike McKenzie to approve the minutes. This motion was seconded by James Cornelius. All directors voted aye.

**ITEM II
POWERS AND DUTIES
V.T.C.A. §49.200**

1. CONSIDER ADOPTION OF A CASH RESERVES POLICY

Hector Ortiz presented the Board with a draft Cash Reserves Policy. Jamie Cornelius expressed that he wants a formulaic approach to calculating reserves to make it simple for everyone to understand where the reserves goal came from. He indicated that if we used the 2015 reserves and apply a CPI calculation this number would be in the \$15M range and therefore this should be the goal. The 2015 reserves were used as the baseline since this was the year when the District funded the “Smart Meter” projects for the Town and the City for approximately \$4.2M. Brent Jordan noted that if the policy of the Board is to not finance projects under \$15M, then the reserves would have to be greater than that. Jamie Cornelius said we need to discuss this further. Steve Alexander shared his thoughts on reserves and provided insight on what the Town keeps as O&M reserve. Hector Ortiz noted that he would update the draft policy and discuss with the Board over the next few weeks in hopes to approve it during the August meeting.

**ITEM III
FISCAL MATTERS
V.T.C.A §49.300**

1. CONSIDER FY2024 DRAFT BUDGET

John Wagner discussed the FY2024 draft budget noting that the Board’s goal is to add to reserves by approximately \$1M. In addition, higher chemical costs and inflation across operating and capital costs were contributing factors on the proposed rate increase. Jamie Cornelius asked for comments from those attending and, after a short pause, without comments or questions, a motion was made by John Wagner to approve the FY2024 draft budget. This motion was seconded by John Denman. All directors voted aye.

2. CONSIDER FY2024 CHEMICAL CONTRACTS

Hector Ortiz discussed chemical bids for FY2024 and noted that they came in around \$90k higher than estimated and slightly over \$200k more than FY2023. A motion was made by John Denman to approve the FY2024 chemical contracts. This motion was seconded by Jamie Cornelius. All directors voted aye.

3. POTENTIAL RAW WATER SALE

Hector Ortiz presented on the potential to sell the District’s surplus raw water, which entities could potentially be interested in the water and pros and cons of each potential customer. The presentation also included a rate recommendation for this water and outlined the action items to be completed prior to the sale. John Wagner asked the Town and the City if they thought there was any risk by selling our surplus raw water and no opposition was noted by either party.

4. CONSIDER CONTRACT WITH KENNEDY RESOURCES FOR SCOPE OF WORK RELATED TO PHASE II OF THE ANALYSIS OF LAKE GRAPEVINE WATER RIGHTS

Hector Ortiz asked the Board to approve Phase II of the evaluation of the Water Availability Model in order to arrive at the latest surplus raw water number. It was also noted that Upper Trinity Regional Water District has offered to cover the cost of this study in exchange for the first right of refusal to purchase the available water. A motion was made by Mike McKenzie to approve Phase II of Lake Grapevine Water Rights. This motion was seconded by John Denman. All directors voted aye.

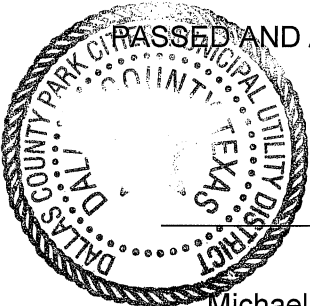
**ITEM IV
MANAGEMENT REPORTS**

1. A status report of projects underway or completed was included in the Board packet for review.
2. A list of major invoices paid last month was included in the Board packet for review.
3. Budget Summaries for April and May were included in the Board packet for review.
4. Cashflow Reconciliation Report was included for Board review.
5. Balance Sheet was included in the Board packet for review.
6. Third Quarter Investment Report.
7. TexPool statements were included in the Board packet for review.

**ITEM V
ADJOURNMENT**

A motion was made by Mike McKenzie to adjourn the meeting and John Denman seconded it. All directors voted aye.

PASSED AND APPROVED THIS THE 8th DAY OF August, 2023



Michael D. McKenzie, Secretary

DALLAS COUNTY PARK CITIES
MUNICIPAL UTILITY DISTRICT

James S. Cornelius, President