

**MINUTES OF THE BOARD OF DIRECTORS
OF THE DALLAS COUNTY PARK CITIES
MUNICIPAL UTILITY DISTRICT
HELD 9:00 A.M., MONDAY MARCH 13, 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, Monday, March 6, 2023, at 10:00 a.m. and remained posted until Monday March 13, 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 Wagner, Director
Jack Denman, Director

Others Attending

Hector Ortiz, General Manager
Brent Jordan, Systems Analyst
Trey Wimpey, Instrument Tech I
Bill Lindley, Town of Highland Park
Steve Alexander, Town of Highland Park
Robbie Cordell, City of University Park

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

A regular meeting of the Board was held on January 10, 2022. A draft of the minutes of this meeting was included in the agenda folders for consideration by the Board of Directors. No changes to last month's meeting minutes were made. A motion was made by Mike McKenzie to approve the minutes. This motion was seconded by Jack Denman. All directors voted aye.

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

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

1. DISCUSSION ON DISTRICT'S BUDGET

This discussion was combined with item 2 below.

2. DISCUSSION ON CONTRACTS AND RATE-SETTING METHODOLOGY

Discussion was had with representatives from the Park Cities. John Wagner presented the rate model and Reserves Analysis. He noted that we are not following the contract 100% and that the goals are for the District to recover costs only once as well as to charge a reasonable rate that allows for the buildup of adequate reserves. John Wagner posed the question as to what reserves to maintain and shared his thoughts on what the targets should be. It was also noted that the Board of Directors agree that the District should be doing business on a cash basis and bonds should only be sold for large projects, \$15M and over. Jamie Cornelius provided insight into what led to reviewing the contract and our rate-setting methodology, mostly due to the surprising chemical price increases which caused a significant increase in the water rate. Bill Lindley suggested that instead of increasing rate to build up reserves quickly, the District could obtain a letter of credit in case emergency finds are needed. John Wagner pointed out that, if the credit was used, then the rate would have to increase to cover the debt. John Wagner also noted that his rate model stair steps the rate to build up reserves slowly over time. Discussions were had over rates and build-up of reserves and John agreed to update the rate model to show rate options for everyone to evaluate. Jamie Cornelius asked Hector Ortiz to provide an update on the sale of raw water to the group. Hector Ortiz noted that discussions are ongoing but so far it appears that it is likely that raw water could be sold. This could generate \$1M+ of revenue for the District.

**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 in the last 28 days was included in the Board packet for

review.

3. Budget Summaries for February were included in the Board packet for review.
4. Balance Sheet was included in the Board packet for review.
5. TexPool statements were included in the Board packet for review.

**ITEM V
ADJOURNMENT**

A motion was made by Jack Denman to adjourn the meeting and Neil Harris seconded it. All directors voted aye.

PASSED AND APPROVED THIS THE 11th DAY OF April, 2023



DALLAS COUNTY PARK CITIES
MUNICIPAL UTILITY DISTRICT

Handwritten signature of Michael D. McKenzie in blue ink.

Michael D. McKenzie, Secretary

Handwritten signature of James S. Cornelius in blue ink.

James S. Cornelius, President