

**MINUTES OF THE BOARD OF DIRECTORS
OF THE DALLAS COUNTY PARK CITIES
MUNICIPAL UTILITY DISTRICT
HELD 9:00 A.M., TUESDAY, MAY 12, 2026
AT 1811 REGAL ROW, DALLAS,
DALLAS COUNTY, TEXAS**

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

NOTICE OF MEETING. §49.063

The notice of the meeting was posted on Tuesday, May 5, 2026, at 10:00 a.m. and remained posted until Tuesday, May 12, 2026 at 12:00 p.m.

MEETING CALLED TO ORDER §49.064

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

ROLL CALL

Directors Attending

James Cornelius, President
Mike McKenzie, Secretary
Neil Harris, Director
Jack Denman, Director
~~Stephen Hudson, Director~~

Others Attending

Hector Ortiz, General Manager
Trey Wimpey, Technical Services Assistant Manager
Karen Kurtin, Forvis Mazars (Through Teams)
Erika Aguirre, TCDRS

CONSIDER MINUTES OF PREVIOUS MEETING(S) §49.065

A regular meeting of the Board was held on April 14, 2026. 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. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PRESENTATION

Erika Aguirre with TCDRS delivered a presentation on the details of the District's retirement plan. She covered how the plan works, how investments are made and the guarantees associated with the plan. She indicated that the plan is 97% funded and noted this is a very good position to be in. The Board asked Erika Aguirre about plan fees and she said they are 0.15%. Jack Denman asked how the fee can be so low when the asset classes that the plan invests in have relatively high fees. Erika Aguirre said she would find out more information and report back.

2. CONSIDER APPOINTMENT OF NEW BOARD DIRECTOR

Randy Biddle submitted his resignation effective April 28, 2026. The Board voted to appoint Stephen Hudson to fill the vacant Director position. A motion to appoint Stephen Hudson to the Board of Directors was made by James Cornelius. This motion was seconded by Jack Denman. All directors voted aye.

3. STATEMENT OF OFFICER AND OATH OF OFFICE

Jack Denman signed the Statement of Officer form and James Cornelius administered the Oath of Office extending Jack Denman's term as Director.

4. BOARD PRESIDENT APPOINTMENT

James Cornelius informed the Board that he would like to step down from Board President to Director and have the Board appoint a new President. He recommended that Jack Denman be appointed President. A motion was made by James Cornelius to have the Board appoint him as Director and appoint Jack Denman as President of the Board. The motion was seconded by Neil Harris. All directors voted aye.

5. CONSIDER UPDATES TO THE DISTRICT'S FIXED ASSET CAPITALIZATION POLICY

Hector Ortiz presented updates to the Fixed Asset Capitalization Policy. He noted that the policy states that depreciated assets would remain on the fixed asset list after full depreciation until they are replaced and recommended removing this requirement from the policy to simplify the list further. He also updated the asset tables to match the fixed asset software, Nettracker. A motion was made by Mike McKenzie to accept all updates to the policy. Jack Denman seconded the motion. All directors voted aye.

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

1. DISCUSSION ON FY2027 BUDGET

Karen Kurtin presented the new budget documents to the Board. The Board asked for page 3 to include the actual rate for Park Cities and a percent increase as part of the summary table. Karen Kurtin discussed the details of the sludge reserves and noted that it has been moved to the O&M budget. Hector Ortiz noted that new capital projects have been added that are significant in value. These will cause the reserves

goal to remain negative. The Board requested that some notes be added related to the additional capital projects. Hector Ortiz noted that he is developing a list of projects to enhance facility resiliency and reliability as well as aesthetics. Hector Ortiz also explained that the capital plan past 2031 is hard to predict and that many of our systems will have been rehabilitated or replaced by then.

2. CONSIDER PROFESSIONAL SERVICES AGREEMENT WITH MCKINM CREED

Hector Ortiz asked the Board for an agreement with McKim Creed not-to-exceed \$10,000 per year for technical support related to the new network system. A motion was made by Jack Denman to approve the agreement. The motion was seconded by James Cornelius. All directors voted aye.

3. CONSIDER EXTENSION OF ACCOUNTING SUPPORT AGREEMENT WITH FORVIS MAZARS

Hector Ortiz requested the Board consider an additional not-to-exceed \$20,000 accounting support agreement with Forvis Mazars to continue support for QuickBooks as well as budget and audit readiness. Jack Denman made a motion to approve the agreement. James Cornelius seconded the motion. All directors voted aye.

4. CONSIDER CONTRACT FOR THE DWU INTERCONNECT VALVE VAULT

Hector Ortiz presented the bids submitted for the construction of a valve vault for the DWU clearwell interconnect. Four bids were received and it was recommended to award the project to the lowest responsible bidder, Axis Construction, LLC for \$190,100. The District has \$500,000 allocated to this project. A motion to award the contract to Axis construction was made by Mike McKenzie. The motion was seconded by James Cornelius. All directors voted aye.

5. CONSIDER CONTRACT FOR FIBER INSTALLATION

Hector Ortiz presented bids for the installation of fiber to improve reliability and speed within the plant's network. A recommendation to award the contract to RLC Controls for \$21,000 was made. A motion was made to award the contract to RLC Controls by Mike McKenzie. This motion was seconded by James Cornelius. All directors voted aye.

6. CONSIDER TECHNICAL SUPPORT AGREEMENT FOR FACTORY TALK

Hector Ortiz presented a quote for a technical support agreement for Factory Talk, the District's control software. Total cost is \$35,920. The Board requested investigating a multi-year agreement. Hector Ortiz will have staff check on what options are available.

7. CONSIDER PROFESSIONAL SERVICES AGREEMENT FOR THE DESIGN OF THE MAIN BUILDING HVAC SYSTEM

Hector Ortiz presented a scope and fee from Kimley Horn for the design of the main

office HVAC system due for replacement in FY2027. Due to the large cost of \$114,000, the Board would like the District to engage HVAC installers directly to evaluate options.

8. CONSIDER CONTRACT AMENDMENT WITH KIMLEY HORN FOR THE DESIGN OF REPLACEMENT STAIRS BETWEEN BASINS A AND B

Hector Ortiz presented a contract amendment with Kimley Horn to design the demolition and replacement of concrete stairs between basins A and B. Hector Ortiz noted that this amendment would be attached to the DWU valve vault project. A motion was made by Mike McKenzie to approve the contract amendment with Kimley Horn. The motion was seconded by James Cornelius. All directors voted aye.

9. CONSIDER PURCHASE OF REPLACEMENT UPSs FOR CRITICAL SYSTEMS

Hector Ortiz presented bids for the purchase of uninterruptible power supply systems for the plant's critical technology systems. The existing systems have reached end-of-life and we have experienced some issues with them. Hector Ortiz recommended awarding this purchase to Dell for \$156,704.80. The District budgeted \$200,000 for this project. A motion was made by Mike McKenzie to approve the purchase. The motion was seconded by James Cornelius. 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 March and April 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. TexPool statements were included in the Board packet for review.

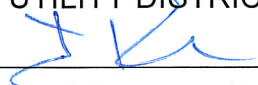
**ITEM V
ADJOURNMENT**

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

PASSED AND APPROVED THIS THE 9th DAY OF June, 2026

DALLAS COUNTY PARK CITIES
MUNICIPAL UTILITY DISTRICT

Michael D. McKenzie, Secretary


Jack Denman, President

