

**REGULAR MEETING MINUTES
Trophy Club Municipal Utility District No. 1
Board of Directors
April 21, 2015 at 6:00 P.M.
100 Municipal Drive, Trophy Club, Texas 76262**

Trophy Club Municipal Utility District No. 1 Board of Directors of Denton and Tarrant Counties, met in Regular Session on April 21, 2015 at 6:00 p.m. in the Boardroom of the Administration Building, 100 Municipal Drive, Trophy Club, Texas 76262. The meeting was held within the boundaries of the District, and was open to the public.

STATE OF TEXAS §
COUNTIES OF DENTON AND TARRANT §

DISTRICT BOARD MEMBERS PRESENT:

Jim Moss President
Jim Hase Vice President
Kevin Carr Secretary/Treasurer
Jim Thomas Director
Neil Twomey Director

STAFF PRESENT:

Jennifer McKnight General Manager
Laurie Slaght District Secretary
Rena Gonzalez Finance Manager
Terri Sisk Administration Manager
Karl Schlielig Wastewater Superintendent
Mike McMahon Water Superintendent
Donnie Hurd Fire Captain
Pam Liston General Legal Counsel

GUESTS:

Andrew Friedman SAMCO Capital Markets, Inc.
Kevin Glover, P.E. The Wallace Group
Scott Weitzel, P.E. The Wallace Group
Andrew Jerome Webber - Cadagua
Kevin L. Markhardt Webber - Cadagua
Shawn Mills Webber - Cadagua
Juan Moreno Warleta Webber - Cadagua
Imanol Lopez de Araya Webber - Cadagua

CALL TO ORDER AND ANNOUNCE A QUORUM

President Moss announced the date of April 21, 2015, and called the meeting to order and announced a quorum present at 6:00 p.m.

CITIZEN PRESENTATIONS

Bill Rose 219 Inverness Drive
Atul Raj PepperLawson Waterworks

CONSENT AGENDA

- 1. Consider and take appropriate action to approve the Consent Agenda.
 - a. March 2015 check register
 - b. March 17, 2015 Regular Meeting Minutes
 - c. Quarterly Investment Report for the second quarter of Fiscal Year 2015

Motion made by Director Twomey and seconded by Director Thomas to approve the Consent Agenda as presented.

Motion carried unanimously

REGULAR SESSION

- 2. Consider and take appropriate action to approve proposal and engage SAMCO Capital Markets, Inc. to provide financial advisory services to the District and to authorize General Manager to cancel contract with Southwest Securities.

Motion made by Director Carr and seconded by Director Thomas to approve proposal and engage SAMCO Capital Markets, Inc. to provide financial advisory services to the District and to authorize General Manager to cancel contract with Southwest Securities.

Motion carried unanimously

- 3. Consider and take appropriate action to approve Non-Standard Water and Wastewater Agreement with Drees Custom Homes, L.P. for the development known as Villas at Hogan’s Glen, Phase 2 consisting of 37 lots and 40 living unit equivalents (LUE).

Motion made by Director Twomey and seconded by Director Carr to approve Non-Standard Water and Wastewater Agreement with Drees Custom Homes, L.P. for the development known as Villas at Hogan’s Glen, Phase 2.

Motion carried unanimously

- 4. Discussion regarding approved contractor for wastewater treatment plant upgrade project and introduction to selected firm.

Kevin Glover, P.E., The Wallace Group introduced the following staff with the selected firm Webber-Cadagua for the Wastewater Treatment plant upgrades:

| | | |
|-----------------------|------------------|---|
| Andrew Jerome | Webber - Cadagua | Project Manager- Utility Division |
| Kevin L. Markhardt | Webber - Cadagua | Utility Division Manager |
| Shawn Mills | Webber - Cadagua | Proposal Manger |
| Juan Moreno Warleta | Webber - Cadagua | Business Development Director – US and Canada |
| Imanol Lopez de Araya | Webber - Cadagua | Proposal Manager |

- 5. Consider and take appropriate action to approve proposal from The Wallace Group to perform an engineering study and develop a water model of the District Water System to aid in future improvement planning.

Motion made by Director Thomas and seconded by Director Carr to approve proposal from The Wallace Group to perform an engineering study and develop a water model of the District Water System to aid in future improvement planning in an amount not to exceed \$94,400.

Motion carried unanimously

6. Consider and take appropriate action regarding the Water Supply Feasibility and Route Study performed by the City of Fort Worth and funded by the District and the Town of Westlake.

Motion made by Director Twomey and seconded by Director Carr to approve the Water Supply Feasibility and Route Study performed by the City of Fort Worth and funded by the District and the Town of Westlake as presented in the packet.

Motion carried unanimously

7. Consider and take appropriate action to approve Golf Course Irrigation Supply Agreement by and between the District and ClubCorp Golf of Texas L.P. to allow for continued sale of effluent to golf course.

Motion made by Director Thomas to approve the Golf Course Irrigation Supply Agreement by and between the District and ClubCorp Golf of Texas L.P. to allow for continued sale of effluent to golf course, with the final attachment to be approved by the General Manager.

Amendment to the motion made by Director Hase to continue with the current contract for 60 days pending resolution of the easement for Lake B.

Amendment dies for lack of a second.

The original motion is withdrawn by Director Thomas and also dies for lack of a second.

Motion made by Director Twomey and seconded by Director Hase to extend the current agreement with ClubCorp Golf of Texas L.P. to allow for continued sale of effluent to golf course for 60 days or until this agreement is finalized.

Motion carried unanimously

8. Consider and take appropriate action to approve Resolution 2015-0421A to amend Fiscal Year 2015 Budget.

Motion made by Director Twomey and seconded by Director Carr to approve Resolution No. 2015-0421A amending the Fiscal Year 2015 Budget.

Motion carried unanimously

9. Consider and take appropriate action to approve Resolution 2015-0421B, amending District Purchasing Policy authorizing the General Manager to approve certain expenditures, providing for the disbursement of District funds, and containing other matters relating to the safekeeping of District funds.

Motion made by Director Twomey and seconded by Director Thomas to approve Resolution 2015-0421B amending District Purchasing Policy and authorizing the General Manager to approve certain expenditures, providing for the disbursement of District funds, and containing other matters relating to the safekeeping of District funds.

Motion carried unanimously

10. Consider and take appropriate action to appoint a Board committee to work with staff to review the FY 2015 water and sewer rate study.

Motion made by Director Carr and seconded by Director Twomey to appoint Director Hase and Director Thomas to work with staff to review the 2015 water and sewer rate study.

Motion carried unanimously

11. Consider and take appropriate action to appoint a Board committee to work with staff to create a succession plan for the Fire Chief position.

Tabled, no action taken

12. Consider and take appropriate action to provide staff direction regarding study of District future office and space needs including scope of study and timeline.

Director Thomas requested to have this item on the agenda after conversations he had with Town Council member Jim Parrow regarding the Town uses for the Annex building and the District's long term needs for that space.

General Manager McKnight provided the Board with an outline of a space needs study and asked the board to consider if they want to look at staff needs for the administration building and if so, to set a realistic timeline. She stated a study is going to take quite a bit of time if staff is to look at every aspect of future needs for 5, 10 and 20 years for all of the District sites.

McKnight asked for direction from the Board as to whether the Town's plans are to be included in the study or solely District needs.

Director Carr feels that the General Manager is wholly capable of determining the needs for space for the District and it can be discussed further during budget planning. He said he would like the Board to allow the General Manager to do her job.

Director Thomas agreed with Director Carr that the General Manager will determine space needs for the District and can review related expenses during budget planning.

Discussion only, no action taken

13. Consider and take appropriate action to approve draft joint agenda for meeting with the Trophy Club Town Council on April 28, 2015.

Motion made by Director Twomey and seconded by Director Thomas to approve the draft agenda for the joint meeting with the Trophy Club Town Council.

Motion carried unanimously

14. Consider and take appropriate action regarding the March 2015 financials.
 - a. Combined Financials
 - b. Variance Report
 - c. Cash Status Report

Finance Manager Renae Gonzales presented a corrected copy of the variance report to the Board for review.

Motion by Director Carr and seconded by Director Twomey to approve the March 2015 financials with the amended variance report.

Motion carried unanimously

REPORTS & UPDATES

15. Update from Board Committees:
 - a. Fire/EMS Consolidation Committee (FECC)
 - b. Annex Building Lease Committee

Director Carr and Director Twomey updated the Board regarding the Fire/EMS Consolidation Committee and the Annex Building Lease Committee.

16. General Manager Monthly Report for March 2015
 - a. Water System Operation
 - b. Wastewater System Operation
 - c. Website Analytics
 - d. Finance Update
 - Utility Billing Reports
 - PID Connections
 - Permits Collected
 - Fund Balance Report
 - e. Status of agreement with THB Construction for security to cover potential future fine due to damages to system in January at Water's Edge at Hogan's Glen
 - f. Update - Groundbreaking ceremony - May 22, 2015

General Manager McKnight presented her monthly report to the Board and answered questions related thereto.

17. Fire Department Report for March 2015
 - a. March Operations Report
 - b. Interlocal Agreement with Town for fire service to properties located within the Town of Trophy Club but outside the District and Public Improvement District
 - c. Standard Operating Guideline and Procedure for Daily Routine Checks of PPE

Interim Fire Chief Donnie Hurd presented the Fire report and answered questions related thereto.

The Board convened into Closed Session at 8:12 p.m.

CLOSED SESSION

The Board will conduct a Closed Session pursuant to Texas Government Code, annotated, Chapter 551, Subchapter D for the following:

18. Pursuant to section 551.071, the District will consult with its attorney on a matter in which the duty of the attorney to the Governmental Body under the Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act or to seek advice of counsel on legal matters involving pending or contemplated litigation or settlement offers:
 - a. Trespass upon land allegation by Maguire Partners - Solana Land, L.P.
 - b. Agreement regarding Relocation of Utility Infrastructure Improvements (Solana) with Maguire Partners – Solana Land, L.P.
 - c. Temporary Restraining Order, Temporary Injunction, and Permanent Injunction proceedings pending in the 48th District Court of Tarrant County, Texas.
 - d. Pending litigation in Cause No. 14-03540-158 in the District Court of Denton County relating to access to the 3.996 acres of land purchased by the District from BDMR Development, LLC, in January of 2013.
 - e. Terms of potential lease with the Town of Trophy Club for use of District annex building located at 100 Municipal Drive.
 - f. Conveyance of water and wastewater infrastructure as requirement of service.
 - g. Pending claim with the Texas Workforce Commission filed by Trevor Dendish.
 - h. Pending claim with Texas Municipal League Intergovernmental Risk Pool for alleged sewer backup at 316 Inverness Drive in Trophy Club.

The Board reconvened into Regular Session at 9:27 p.m.

REGULAR SESSION

19. Consider and take appropriate action regarding Closed Session items.

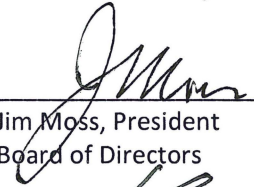
Regarding Item 18(e), a motion was made by Director Twomey and seconded by Director Hase to have General Counsel make changes to the terms of the proposed lease with the Town of Trophy Club for use of District annex building located at 100 Municipal Drive as discussed in Closed Session.

Motion carried unanimously

20. Items for future agendas: None
21. Announce Regular May meeting date: May 19, 2015 at 6:00 p.m.

ADJOURN

President Moss adjourned the Meeting at 9:48 p.m.



Jim Moss, President
Board of Directors



Kevin R. Carr, Secretary
Board of Directors



Laurie Slaght, District Secretary

