

**REGULAR MEETING MINUTES  
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
BOARD OF DIRECTORS  
JULY 19, 2016 at 6:00 P.M.  
100 Municipal Drive, Trophy Club, Texas 76262**

The Trophy Club Municipal Utility District No. 1 Board of Directors, of Denton and Tarrant Counties, met in Regular Session on July 19, 2016 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**

Kevin R. Carr	President
Greg Wilson	Vice President (arrived at 6:23 p.m.)
Jim Hase	Secretary/Treasurer
Bill Rose	Director

**DISTRICT BOARD MEMBERS ABSENT**

Jim Thomas	Director
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**STAFF PRESENT:**

Jennifer McKnight	General Manager
Laurie Slaght	District Secretary
Renaë Gonzales	Finance Manager
Terri Sisk	Administration Manager
Mike McMahan	Water Superintendent
Karl Schlielig	Wastewater Superintendent
Tony Corbett	Legal Counsel
Rick Lasky	Interim Fire Chief

**GUESTS PRESENT:**

Kevin Glovier, PE	CP&Y
Gil W. Barnett, PE	CP&Y

**CALL TO ORDER AND ANNOUNCE A QUORUM**

President Carr announced the date of July 19, 2016, called the meeting to order and announced a quorum present at 6:00 p.m.

**CITIZEN COMMENTS**

No citizens commented

1. Fire Department Report for June 2016
  - a. Operations Report
  - b. Volunteer Recruitment Report
  - c. Status Standard Operating Guidelines (SOG). (Carr)

d. Status of building maintenance (Carr)

e. Status of PPE purchase (Carr)

Interim Fire Chief Rick Lasky reviewed the June monthly reports with the Board. Lasky stated that the Fire Camp went very well and Brian Peters did a great job and there were 16 attendees. He said there are 3 volunteers and nothing new to report. Lasky stated that he will not meet initial deadline of August to finalize SOG's and that he had not started working on them yet. He will start looking at them next week. Director Carr is very concerned about getting the SOG's finalized and stated that we have mutual aid agreements that reference this and there are no SOG's in place. Lasky stated that he has many little projects to deal with, no secretary, and has dealt with staff shortages due to vacations.

Lasky reviewed the progress on the building maintenance with the Board. Finance Manager Renae Gonzales inquired about the new air conditioning units that were installed in the living quarters. Gonzales stated that when registering for the extended warranties on the units, she was told that the units were for residential application and that only the standard 5 year warranty would be given as it was a commercial application. Lasky stated he would check into it. Director Rose stated that he and Director Wilson met with Lasky and toured the station about a week ago and that he was very impressed with the station and staff. Rose stated he was very grateful that the sinks were repaired in the kitchen but the Firefighters should not have to do minor repairs at the station.

Lasky reported that the turn out gear has been ordered and he would like to have the 6 part time staff to also obtain a full set of gear. As of now they use any gear that is not being used. Director Carr agrees that all the staff should have a fitted full set of gear.

Director Wilson stated that he does not take the Director fees that are allotted to him, he would like those to be used to pay for cable television in the firemen's sleeping quarters. Director Wilson would like to make a motion to allow for that and asks for other Directors to join him. Director Carr stated this was not an item for discussion or action on the agenda and asks for legal opinion. Attorney Corbett stated that a motion cannot be made as this item is listed as a report. Corbett added that this would have to be an action item but Wilson could pay for this out of his personal funds.

Chief Lasky stated that the timing of Director Rose and Director Wilson's visit was perfect because a storm came through with lightning strikes and they got to see how the department responds. Additionally, Lasky stated that the TCEVC Trophy Club Emergency Volunteer Corp received their 501c3 certificate and are now officially a non-profit agency.

General Manager McKnight stated that TCDRS will be here on next week to meet individually with fire staff to cover District retirement benefits.

## **CONSENT AGENDA**

2. Consider and take appropriate action to approve the Consent Agenda.
  - a. June 2016 Check Register
  - b. June 21, 2016 Regular Meeting Minutes
  - c. June 29, 2016 Special Meeting Minutes
  - d. Quarterly Investment Report: 3<sup>rd</sup> Quarter FY 2016
  - e. Cash Needs Report

f. Tax Collections Report – 3<sup>rd</sup> Quarter FY 2016

g. Interlocal Cooperation Agreement for Shared Governance Communications and Dispatch Services System with Denton County.

Director Rose removed item g. Interlocal Cooperation Agreement for Shared Governance Communications and Dispatch Services System with Denton County from the Consent Agenda for further discussion.

Director Hase removed item a. June 2016 Check Register from the Consent Agenda for further discussion.

**Motion made by Director Rose and seconded by Director Hase to approve the Consent agenda items b – f and this includes the amended June 21, 2016 Regular Meeting Minutes as provided at the meeting.**

**Motion carried unanimously**

**Motion made by Director Hase and seconded by Director Carr to approve Consent Agenda item a. June 2016 Check Register.**

**Motion carried unanimously**

**Motion made by Director Rose and seconded by Director Carr to approve the Interlocal Cooperation Agreement with Denton County with one annual payment.**

**Motion carried unanimously**

#### **REGULAR SESSION**

3. Consider and take appropriate action regarding 2015 Consumer Confidence Report.

**Discussion only, no action taken.**

4. Consider and take appropriate action regarding draft design of 9/11 memorial for fire station.

Parrow spoke regarding this item and stated that he had worked with TNP on the display for the memorial and explained the look of the project. Mr. Parrow stated that all of the required funding is taken care of.

**Motion made by Director Hase and seconded by Director Carr to approve the presented design for the 9-11 memorial including the plaque.**

**Motion carried unanimously**

5. Consider and take appropriate action to approve Second Amended Interlocal Cooperation Agreement for Fire Protection Services with the Town of Trophy Club to amend section 3.01 (Funding) as outlined in letter of agreement dated May 2, 2016.

**Motion made by Director Rose and seconded by Director Carr to table agenda item number 5.**

**Motion carried unanimously**

6. Consider and take appropriate action to approve task order master contract no. 2016071901 for engineering services with CP&Y, Inc.

Kevin Glovier explained the master contract formalizes the previous contract with The Wallace Group to now be with CP&Y, with which they merged. The contract language would remain the same. He stated each time work is requested they will provide a "task order proposal" for approval.

**Motion made by Director Carr and seconded by Director Wilson to approve task order master contract no. 2016071901 for engineering services with CP&Y, Inc.****Motion carried unanimously**

7. Consider and take appropriate action regarding CP&Y, Inc.'s response to director comments received regarding the Hydraulic Model and Distribution System Capacity Study.

General Manager McKnight explained the process of how staff determined the population number projected in the model. Discussion ensued between Directors, engineers and staff regarding the Hydraulic Model and Distribution System Capacity Study.

Director Rose asked Gil Barnett, PE how much water the District would be able to obtain from the Caylor tank through the 21" pipe. Barnett stated there are too many variables in place to provide an answer and that in order to do so, it would need to be studied and analyzed. Discussion was held regarding the lifespan of Prestressed Concrete Cylinder Pipe (PCCP) that is currently in use. Barnett stated that PCCP made from 1971 to 79 particularly has been identified as more prone to failure than the prior years or the years since. Additionally, the current PCCP 21" line coming into the District would not be adequate for any growth.

Director Rose inquired as to the location of a new ground storage tank if and when that need is realized. Director Wilson asked if a new tank would fit behind the fenced area where the other tanks are currently located. Barnett stated they have measured and that a third tank would fit in the fenced area, however, the Water Department Maintenance Barn would need to be relocated to existing the Police Station site so additional cost would be incurred.

**Discussion only, no action taken.**

8. Consider and take appropriate action to approve a proposal from CP&Y, Inc. to draft the preliminary engineering report required for a bond election for water system improvements. (contract no. 2016071902)

Bond Counsel Tony Corbett stated that under the Water Code before a municipal utility district conducts a bond election it is required to prepare a preliminary engineering report to be available for public inspection. The purpose of the report is to identify proposed improvements and give the voters an opportunity to make an educated decision when they cast their vote. Corbett stated the purpose of this item is to authorize CP&Y to prepare the preliminary engineering report for a possible bond election conducted on November 8, 2016.

**Motion made by Director Hase and seconded by Director Carr to approve a proposal from CP&Y, Inc. to draft the preliminary engineering report required for a bond election for water system improvements (contract no. 2016071902) in an amount not to exceed \$12,500.**

**Motion is withdrawn by the first and second.**

The Board recessed at 9:06 p.m

The Board resumed into Regular Session 9:12 p.m.

Director Rose stated he will not support a tax bond or anything that will raise customer taxes. He stated he believes improvements should be funded through revenues.

**Motion made by Director Hase and seconded by Director Wilson to approve the proposal from CP&Y, Inc. to draft the preliminary engineering report required for a bond election for water system improvements (Contract no. 2016071902) in an amount not to exceed \$12,500.**

**For: Wilson, Carr and Hase**

**Against: Rose**

**Motion Passed 3-1**

9. Consider and take appropriate action to approve up to \$8,000 for updated water system and sewer system map development by CP&Y Inc. and approve use of GASB reserve funds.

**Motion made by Director Wilson and seconded by Director Rose to approve an amount not to exceed \$8,000 for updated water system and sewer system map development by CP&Y Inc. and approve use of GASB reserve funds.**

**Motion carried unanimously**

10. Consider and take appropriate action to approve permanent installation of I-beams over aerial sewer crossing near wastewater treatment plant by Rey-Mar Construction in an amount not to exceed \$18,379.00 and fund project with GASB reserve funds. (contract no. 20160719043)

**Motion made by Director Rose and seconded by Director Hase to approve permanent installation of I-beams over aerial sewer crossing near wastewater treatment plant by Rey-Mar Construction for an amount not to exceed \$18,379.00 and fund project with GASB reserve funds. (contract no. 20160719043)**

**Motion is amended by the first and second to use Information Technology GASB funds to cover the cost of this project.**

**Motion carried unanimously**

11. Consider and take appropriate action to approve proposal from MCCI for electronic records management system in an amount not to exceed \$37,000.75, and authorize General Manager to execute contract effective October 1, 2016. (Contract No. 2016071904)

**Motion made by Director Wilson and seconded by Director Hase to approve proposal from MCCI for electronic records management system in an amount not to exceed \$37,000.75, and authorize General Manager to execute contract effective October 1, 2016. (Contract No. 2016071904)**

**Motion carried unanimously**

12. Consider and take appropriate action to approve Resolution No. 2016-0719 expressing the District's official intent to reimburse with proceeds of revenue bonds issued through the State Water Implementation Fund for Texas (SWIFT) to finance improvements to obtain additional water supply from the City of Fort Worth deemed necessary to provide water service to customers of the District.

**Motion made by Director Rose and seconded by Director Wilson to approve Resolution No. 2016-0719 expressing the District's official intent to reimburse with proceeds of revenue bonds issued through the State Water Implementation Fund for Texas (SWIFT) to finance improvements to obtain additional water supply from the City of Fort Worth deemed necessary to provide water service to customers of the District.**

**Motion carried unanimously**

13. Consider and take appropriate action to approve Interlocal Agreement for Utility Billing Services with the Town of Trophy Club with an effective date of October 1, 2016.

General Manager McKnight went over the changes made to the agreement by the Town staff and stated she was agreeable to all proposed changes.

**Motion made by Director Wilson and seconded by Director Carr to approve Interlocal Agreement for Utility Billing Services with the Town of Trophy Club with an effective date of October 1, 2016.**

**Motion carried unanimously**

14. Consider and take appropriate action regarding potential November 8, 2016 bond election to fund water system improvement projects.

**Discussion only, no action taken.**

15. Discussion regarding status of appeal of retail water and sewer rates pending with the Public Utility Commission of Texas.

**Discussion only, no action taken.**

16. Consider and take appropriate action regarding the June 2016 combined financials and variance report.
  - a. Combined financials
  - b. Variance report

**Motion made by Director Hase and seconded by Director Wilson to approve the June 2016 combined financials and variance report.**

**Motion carried unanimously**

17. Consider and take appropriate action regarding amendments to District Ethics Policy and provide direction to staff related thereto.

**Motion made by Director Wilson and seconded by Director Rose to table agenda item No. 17 and address it at a future meeting.**

**Motion carried unanimously****REPORTS & UPDATES**

18. Director update on classes attended at AWBD summer conference held in Fort Worth.

Director Carr, Director Rose and Director Wilson gave updates on the classes they attended while at the AWBD conference.

19. General Manager Monthly Report for June 2016

- a. Water System Operation
- b. Meter Head Change Out Program
- c. Wastewater System Operation
- d. Website Analytics
- e. Finance Update
  - Utility Billing Reports
  - Permits Collected
- f. Project Status Updates

- SWIFT funding application and Northside II 30-inch Water Line Project – Fort Worth and Westlake have signed the agreement and the engineering fees are reduced by almost half.
- Northside 45" Water Line Upgrade Project with City of Fort Worth – our share of the line up to Caylor has been paid.
- Wastewater Treatment Plant Upgrade Project – Timeline is included in the packet
- Wastewater Treatment Plant Permit Renewal - permit expires in September. General Manager McKnight spoke with Larry Diamond, the permit writer with TCEQ, and we should be receiving the draft permit soon for review. We will have to advertise the permit and will also have to have a public meeting with TCEQ staff present. Directors Carr and Hase would like to have the staff invite Senator Jane Nelson to the public meeting.

**The Board did not convene into Closed Session****CLOSED SESSION**

20. Pursuant to Texas Government Code 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. Legal advice regarding terms of Interlocal Agreement with the Town of Trophy Club for provision of fire and EMS services.

- b. Legal advice regarding potential sale of District assets.
- c. Legal advice regarding appeal of retail water and sewer rates pending with the Public Utility Commission of Texas.

**REGULAR SESSION**

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

**No action taken as the Board did not convene into Closed Session.**

22. Items for future agendas:


- Ethics Policy to include meeting policy
- New Director Workshop
- ILA Consider and take appropriate action to approve Second Amended Interlocal Cooperation Agreement for Fire Protection Services with the Town of Trophy Club to amend section 3.01 (Funding) as outlined in letter of agreement dated May 2, 2016.
- Public meetings regarding rates.
- GASB fund reallocation and discussion

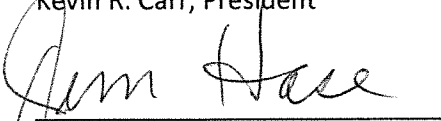
23. Announce meeting dates: Budget Workshop – August 11, 2016 at 9 a.m.  
Regular Meeting – August 16, 2016 at 6 p.m.


**Motion made by Director Carr and seconded by Director Wilson to adjourn the Regular Meeting.**

**Motion carried unanimously**

**Meeting is adjourned at 10:57 p.m.**

  
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 Kevin R. Carr, President

  
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 Jim Hase, Secretary

  
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 Laurie Slaght, District Secretary

