

**REGULAR MEETING MINUTES**  
**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**  
**BOARD OF DIRECTORS**  
**August 16, 2021 at 6:30 p.m.**

Trophy Club Municipal Utility District No. 1 Board of Directors, of Denton and Tarrant Counties, met in a regular session meeting on Monday, August 16, 2021 at 6:30 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 §

**BOARD MEMBERS PRESENT:**

Steve Flynn            President  
Mark Chapman        Vice President  
Kelly Castonguay    Secretary/Treasurer  
William C. Rose       Director

**BOARD MEMBERS ABSENT:**

Kevin R. Carr        Director

**STAFF PRESENT:**

Alan Fourmentin    General Manager  
Laurie Slaght        District Secretary  
Mike McMahon       Operations Manager  
Steven Krolczyk     Finance Manager  
Tony Corbett         Legal Counsel

**GUESTS PRESENT:**

Preston Dillard      Halff Associates  
Chris Ekru            NewGen Strategies & Solutions

**CALL TO ORDER AND ANNOUNCE A QUORUM**

President Flynn announced the date of August 16, 2021, announced a quorum present and called the meeting to order at 6:30 p.m.

**CITIZEN COMMENTS**

There were no citizen comments

**DIRECTOR ANNOUNCEMENTS**

President Flynn announced that Bill Armstrong passed away on August 13, 2021. Mr. Armstrong was elected to the Board of Directors in May of 2010 and served through May of 2014. President Flynn asked that the Board and the staff keep Bill's family in our thoughts and prayers.

**REPORTS & UPDATES**

1. Staff Reports
  - a. Capital Improvement Projects
  - b. Water Operations Report

- c. Wastewater System Reports
- d. Finance Reports

General Manager Alan Fourmentin presented the monthly staff reports and answered questions related thereto.

#### **CONSENT AGENDA**

- 2. Consider and act to approve the Consent Agenda.
  - a. July 2021 Combined Financials
  - b. July 27, 2021 Joint Meeting Minutes
  - c. July 27, 2021 Regular Meeting Minutes
  - d. Approve Interlocal Cooperation Agreement with Denton County for Property Tax Assessment and Collection effective October 1, 2021 with automatic renewals through tax year 2023.

**Motion made by Director Chapman and seconded by Director Castonguay to approve the Consent Agenda as presented.**

**Motion carried unanimously**

#### **REGULAR SESSION**

- 3. Receive Master Plan update from Halff Associates.

Preston Dillard with Halff Associates presented the findings and recommendations of the Master Plan for the Water Distribution System and Wastewater Collection System and answered questions related thereto.

- 4. Consider and take appropriate action regarding water and sewer rates for Fiscal Year 2022:
  - a. Receive report from Rate Committee.
  - b. Consider and take appropriate action regarding rate assumptions and projections for FY2022 Budget. (Staff/NewGen)

District rate consultant Chris Ekrut with NewGen Strategies & Solutions presented the rate scenarios for fiscal year 2022 as well as future revenue requirements. The current water rates are insufficient moving forward as the cost of water will continue to increase annually as well as capital expenses. Wastewater is stable.

Mr. Ekrut and the Rate Committee members recommends rate scenario 2 and Rate Committee Members Director Chapman and Director Rose agree.

**Motion made by Director Rose and seconded by Director Chapman to go with scenario 2 as presented by the consultant.**

**Motion carried unanimously**

5. Consider and take appropriate action regarding Fiscal Year 2022 Budget Matters:
  - a. Report from Budget Committee
  - b. Discussion regarding the Draft Fiscal Year 2022 Budget.

Finance Manager Steven Krolczyk presented the final draft budget to the board and answered questions related thereto.

Director Rose would like to see additional funds allocated to the medical insurance line item in the budget which would allow for the potential increase in medical coverage for employees in December.

**Direction only**

6. Consider and take appropriate action regarding tax rates for 2021 tax year:
  - a. Approve proposed tax rate for 2021 tax year: and,
  - b. Schedule date and authorize publication of notice for hearing regarding adoption of final tax rates for 2021 tax year.

**Motion made by Director Rose and seconded by Director Castonguay to approve the proposed tax rate for publication for the 2021 tax year of \$.10588 per \$100 dollars of assessed valuation and authorize staff to proceed with publication of public hearing to be conducted on September 20, 2021.**

**Motion carried unanimously**

7. Consider and act to ratify and approve fire department budget for Fiscal Year 2022 pursuant to July 27, 2021 special meeting.

**Motion made by Director Rose and seconded by Director Castonguay to ratify and approve Fire Department Budget for the Fiscal Year 2022 as stated at the July 27, 2021 board meeting.**

**Motion carried unanimously**

8. Discussion and possible action regarding GASB reserves and fire department ladder truck lease.

Discussion only, no action taken.

**The Board convened into Executive Session at 7:51 p.m.**

**EXECUTIVE SESSION**

9. Pursuant to Section 551.071 of the Texas Open Meetings Act, the Board may consult with its attorney in Executive Session 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. Consult with legal counsel regarding the existing Interlocal Cooperation Agreement for Administration of Fire Protection Services between the District and the Town of Trophy Club, and seek legal advice regarding the potential renewal, termination, modification, or replacement thereof.
10. Deliberations pursuant to Section 551.074(a)(1) of the Texas Open Meetings Act regarding appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: General Manager annual review.

**The Board re-convened into Regular Session at 8:36 p.m.**

**REGULAR SESSION**

11. Consider and take appropriate action regarding Executive Session.

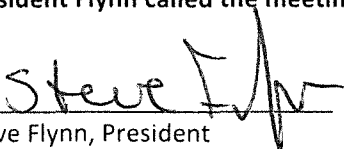
**Motion by Director Rose and Director Chapman to approve Amended and Restated Interlocal Cooperation Agreement for Administration of Fire Protection Services.**

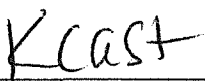
**Motion carried unanimously**

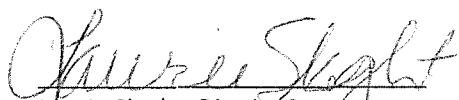
12. Items for future agendas:
13. Set future Meeting dates – Monday, September 20, 2021 at 6:30 p.m.

**ADJOURN**

**President Flynn called the meeting adjourned at 8:36 p.m.**

  
Steve Flynn, President

  
Kelly Castonguay, Secretary/Treasurer

  
Laurie Slaght, District Secretary

