

**REGULAR MEETING MINUTES
TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
BOARD OF DIRECTORS
August 17, 2022 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 on August 17, 2022, 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:

Kevin R. Carr	President
Ben Brewster	Vice President
Doug Harper	Secretary/Treasurer
William C. Rose	Director

BOARD MEMBERS ABSENT:

Tracey Hunter	Director
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STAFF PRESENT:

Alan Fourmentin	General Manager
Laurie Slaght	District Secretary
Mike McMahon	Operations Manager
Steven Krolczyk	Finance Manager
Tony Corbett	Legal Counsel
Bert Cooper	Water Supervisor
Frank Isola	Wastewater Supervisor
Jason Wise	Fire Chief

GUESTS PRESENT:

Chris Ekrut	NewGen Strategies and Solution
Bob Shiring	Tradition Energy
Ryan Martin	Core Logic (easement)

CALL TO ORDER AND ANNOUNCE A QUORUM

President Carr announced the date of August 17, 2022, called the meeting to order and announced a quorum present at 6:30 p.m.

CITIZEN COMMENTS – There were no citizens wishing to speak.

REPORTS & UPDATES

1. Staff Reports
 - a. Capital Improvement Projects
 - b. Water Operations Report
 - c. Wastewater System Reports
 - d. Finance Reports
 - e. Outstanding Public Drinking Water System Award

General Manager Fourmentin provided the board with the monthly updates and reports and answered questions related thereto. Fourmentin announced that the District was presented the "Outstanding Public Drinking Water System Award" during the Texas Commission on Environmental Quality (TCEQ) Public Drinking Water Conference in Austin. Fourmentin stated that commendation is appropriate to all individuals who have served this District and this community as this award is a testament to the years of planning and funding efforts of current and prior Board of Directors members, and operational efforts of current and prior staff. He further acknowledged the efforts of Mike McMahon, Operations Manager; Bert Cooper, Water Supervisor; Frank Isola, Wastewater Supervisor; as well as the efforts of the entire operations team.

Director Rose acknowledged staff and stated it is not common for a MUD to receive the outstanding public drinking water system award and that there were only 53 Outstanding Public Drinking Water Awards given.

CONSENT AGENDA

2. Consider and act to approve the Consent Agenda.
 - a. July 2022 Combined Financials
 - b. July 18, 2022 Regular Meeting Minutes

Motion made by Director Rose and seconded by Director Harper to approve the Consent agenda items 2a and 2b.

Motion carried unanimously

REGULAR SESSION

3. Consider and act to approve Contract No. 2022081701 with Rod L. Abbott, CPA PLLC for Annual Financial Auditing Services.

Motion made by Director Rose and seconded by Director Harper to approve Contract No. 2022081701 with Rod L. Abbott, CPA PLLC for annual Financial Auditing Services.

Motion carried unanimously

4. Discussion and possible action regarding release of existing utility easement(s) located at 1600 Solana Blvd.

Motion made by Director Rose and seconded by Director Brewster to approve the partial release of existing utility easement(s) located at 1600 Solana Blvd as stated in the packet documents.

Motion carried unanimously

5. Presentation from Tradition Energy regarding current electric rates and purchase options for Fiscal Year 2023.

Bob Shiring with Tradition Energy provided the Board with a Regional Market Outlook and fixed price comparisons for electricity and answered questions related thereto.

Motion made by Director Rose and seconded by Director Carr to authorize the General Manager to execute an electricity service provider contract for a term of 60 months at the lowest rate with 100% swing.

Motion carried unanimously

6. Consider and act regarding rate assumptions and projections for FY2023 Budget. (Staff/NewGen)

Chris Ekrut with NewGen Strategies & Solutions presented the rate assumptions and predictions for the FY 2023 Budget as well as future revenue requirements. The current water rates are insufficient as the cost of water will continue to increase as well as capital improvements. Wastewater costs are expected to remain stable.

The 5% increase in wholesale water from Fort Worth is being covered in the volumetric side of water rates. With the proposed water rate increase, expenses are covered. The rate assumptions are using rate reserve funds and are included in future planning.

Motion made by Director Rose and seconded by Director Brewster to accept rate assumptions as presented for use in the FY 2023 budget.

Motion carried unanimously

7. Consideration regarding Fiscal Year 2023 Budget Matters:
a. Receive update from Budget Committee. (Brewster/Harper)
b. Discussion regarding the Draft Fiscal Year 2023 Budget.

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

Discussion Only

8. Consider and act regarding tax rates for 2022 tax year:
a. Approve proposed tax rate for 2022 tax year; and
b. Schedule date and authorize publication of notice for hearing regarding adoption of final tax rates for 2022 tax year.

Finance Manager Steven Krolczyk provided an updated proposed tax rate for the 2022 tax year.

Motion made by Director Rose and seconded by Director Brewster to approve the proposed tax rate of \$.09134 per \$100 dollars of assessed valuation for publication for the 2022 tax year and authorize staff to proceed with publication of public hearing to be conducted on September 21, 2022.

Motion carried unanimously

9. Discussion and possible action regarding community education initiatives. (Brewster)

Director Brewster would like to bring the community up to speed on conservation issues and provide information about the district. Discussion ensued.

Motion made by Director Rose and seconded by Director Carr to create an education committee to include Director Brewster and Director Harper to work with the General Manager and staff to work on a community education program.

Motion carried unanimously

- 10. Receive update from Strategic Committee. (Carr/Brewster)

The committee members expect to be provided a meeting agenda and presentation from the Town that includes a plan.

The convened into Executive Session at 8:52 p.m.

EXECUTIVE SESSION

- 11. Deliberations pursuant to Section 551.074(a)(1) of the Texas Open Meetings Act regarding the duties of the General Manager, including providing copies of all communications to one or more members of the Board of Directors.

The Board reconvened into Regular Session at 9:34 p.m.

REGULAR SESSION

- 12. Consider and act regarding items discussed in Executive Session.

No action taken.

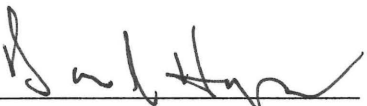
- 13. Items for future agendas: Community Education
Future – Golf Course Effluent contract will be evaluated in March 2023
General Manager annual evaluation
- 14. Set future Meeting dates – September 21, 2022
October 19, 2022
November 16, 2022
December 14, 2022

ADJOURN

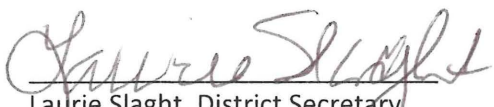
President Carr called the meeting adjourned at 9:37 p.m.



Kevin R. Carr, President



Doug Harper, Secretary/Treasurer



Laurie Slaght, District Secretary

