

TALTY SPECIAL UTILITY DISTRICT
12475 WINDY LANE
FORNEY, TEXAS 75126
(972) 552-4422

REGULAR MEETING OF THE BOARD OF DIRECTORS

DATE: August 16, 2021

TIME: 6:00 p.m.

PLACE: District offices at 12475 Windy Lane, Forney, Kaufman County, Texas

MINUTES

1. **Call to Order.** President, Scot Boisvert, called the meeting to order at 6:00 p.m. Board members present: Sidney Schleichach, Mike Metzger, and Jerry Rhodes. A quorum was present.

Staff present: Corey Trail, General Manager; Lisa Morris, Office Manager; Tyler Hendrickson, Engineer; and James Wilson, Attorney.

2. **EXECUTIVE SESSION:** The Board of Directors recessed into Executive Session at 6:00 p.m. under Section 551.071 of the Texas Government Code to confer with special legal counsel about a proposed second counter-offer to be made to the City of Forney in the following contested proceeding: PUC Docket No. 47814; SOAH Docket No. 473-18-1344.WS; Petition of High Point Water Supply Corporation, Talty Special Utility District (SUD), and Markout Water Supply Corporation Appealing Wholesale Water Rates Implemented by City of Forney and Request for Interim Rates; Before the Public Utility Commission of Texas. President Scot Boisvert adjourned from Executive Session into Open Session at 6:16 p.m.

3. **RECONVENE INTO REGULAR SESSION:** Mike Metzger made a motion, seconded by Sidney Schleichach, to approve Petitioners' second counter-offer. A vote was taken, and the motion passed 4-0.

4. **Public Comments:** None

5. **Consider and act upon the Minutes of previous meeting(s).** After review, Jerry Rhodes made a motion, seconded by Mike Metzger, to approve the meeting minutes as written from July 19, 2021. A vote was taken, and the motion passed 4-0.

6. **Consider and act to accept the July 2021 financials.** After review, Mike Metzger made a motion, seconded by Sidney Schleichach, to accept the July 2021 financials as presented. A vote was taken, and the motion passed 4-0.

7. **Engineer Report.** Engineer Tyler Hendrickson updated the Board:

(a) Pump Station #1 improvements: The third pump is now ready to ship to Mexico. It has been hot so there has been a delay in shipping it to Mexico.

8. **Attorney Report.** Attorney, James Wilson, updated the Board re: James sent a Demand Letter to MPLD II Forney, LLC (owner of new Amazon building) who was refusing to pay \$8,000+ in past due bills for construction water. We received their check for the full amount today.

9. **Discuss and act to award the bid for the 18" waterline improvement on FM 2932.** Jerry Rhodes made a motion, seconded by Mike Metzger, to award the bid for the 18" waterline improvement on FM 2932 to Morton Construction Company with the lowest bid of \$3,521,903.25. A vote was taken, and the motion passed 4-0.
10. **Discuss and act on an Assignment and Assumption of Non-Standard Service Contract for Water Utility Service by Precept Real Estate, Inc. in favor of JLM 717 Kaufman, LP for the Cadence residential subdivision (formerly known as Kingsborough Addition).** James Wilson informed the board that the Assignor and Assignee share the same owner so the board lacks discretion to refuse to approve the assignment. Sidney Schleichach made a motion, seconded by Mike Metzger, to approve the Assignment and Assumption of Non-Standard Service Contract for Water Utility Service by Precept Real Estate, Inc. in favor of JLM 717 Kaufman, LP for the Cadence residential subdivision. A vote was taken, and the motion passed 4-0.
11. **Discuss and act on a Partial Assignment of Non-Standard Service Contract for Water Utility Service by JLM 717 Kaufman, LP in favor of LGI Homes – Texas for a portion of Phase 1 of the Cadence residential subdivision (formerly known as Kingsborough Addition).** James Wilson informed the board that the LGI Homes – Texas is purchasing what is now Phase 1A of Cadence from JLM 717 Kaufman, LP, and that the purchaser will be bound by the terms of the existing Non-standard Service Contract for the development. Sidney Schleichach made a motion, seconded by Mike Metzger, to approve the Partial Assignment of Non-Standard Service Contract for Water Utility Service by JLM 717 Kaufman, LP in favor of LGI Homes – Texas, LLC for a portion of Phase 1 of the Cadence residential subdivision. A vote was taken, and the motion passed 4-0.
12. **Discuss and consider approval of the First Amended Non-Standard Service Contract for Water Utility Service between Talty Special Utility District, JLM 717 Kaufman, LP, and Kaufman County Fresh Water Supply District No. 7A related to the Cadence residential subdivision (formerly known as Kingsborough Addition).** James Wilson and Cory Trail informed the board that the amendment (i) increases the total number of lots to 1,500, (ii) requires the developer to pay a lump sum of the connection fees in advance to cover the cost of the water system extension, and (iii) updates the parties' contact information for notice. Mike Metzger made a motion, seconded by Sidney Schleichach, to approve the First Amended Non-Standard Service Contract for Water Utility Service between Talty Special Utility District, JLM 717 Kaufman, LP and Kaufman County Fresh Water Supply District No. 7A related to the Cadence residential subdivision. A vote was taken, and the motion passed 4-0.
13. **Monthly Operations Reports from General Manger, Field Supervisor and Office Manager.**
- (a) The Capital Improvement Budget shows a budget amount of \$1,859,400 for the 18" waterline improvement on FM 2932 and the bid came in at \$3,521,903.25 of which the overage will be funded by the subdivisions of Berkshire Estates, Trinity Point and Cadence.
 - (b) Construction will begin this week on the 30'x40' shop being built here at the Windy Lane location.
 - (c) The Henderson Elementary relocation line project is almost complete and came in under budget.
 - (d) There were 251 Work Orders for the month of July.
 - (e) The Gateway development has been sold to Ashton Woods.
 - (f) Highpoint Ranch is now looking at getting their service from the city of Terrell.

(g) Talty SUD has hired two (2) new Field employees. Matt Walters, Field Supervisor, is looking to hire one (1) more Field employee.

14. **Adjourn:** Scot Boisvert adjourned the meeting at 6:54 p.m.

Approved by the Board of Directors of Talty Special Utility District on this 20th day of September, 2021.



Bill Hart, Secretary