

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

REGULAR MEETING OF THE BOARD OF DIRECTORS

DATE: June 21, 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 6:01 p.m. Board members present: Sidney Schleichach, Bill Hart, Mike Metzger and Jerry Rhodes. A quorum was present.

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

2. Public Comments: None

3. Consider and act upon the Minutes of previous meeting(s). After review, Sidney Schleichach made a motion, seconded by Mike Metzger, to approve the meeting minutes as written from May 17, 2021. A vote was taken, and the motion passed 5-0.

4. Consider and act to accept the May 2021 financials. After review, Mike Metzger made a motion, seconded by Sidney Schleichach, to accept the May 2021 financials as presented. A vote was taken, and the motion passed 5-0.

5. Engineer Report. Engineer Tyler Hendrickson was not present, so Corey Trail updated the Board on his behalf:

(a) Pump Station #1 improvements: We are waiting on the pump to arrive back from Mexico.

(b) There has been no drilling yet at Pump Station #3 due to all the rain we have received. After it dries up, East Texas Lab will be out.

(c) Tyler has completed the plans for the water line on FM 2932.

(d) Akron Way & Helms Trail 18" and 12" waterline improvements: This project is completed, and we will be approving the Pay Request Number Three (3) later during the meeting.

(e) There is a cross-country line between Nicole Lane & CR 212 where the Stillwater Plant will be located. The contractor has killed the waterline and we will be removing the pipe out of the easement.

6. Attorney Report. Attorney, James Wilson, updated the Board on the following:

(a) There were some water-related bills passed by legislature. One major bill passed was Senate Bill 3 – Emergency Preparedness Bill. There will be penalty fees if there are any disconnects, or late

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fees issued to customers during an Emergency. A fine of up to \$50,000/per occurrence is possible.

7. **Discuss and consider approval of Pay Request Number Three (3), in the amount of \$163,827.50, for work completed by Excel Trenching on the Akron Way & Helms Trail 18" & 12" Waterline Improvements.** Corey Trail informed the board that: the Excel Trenching did a good job on the project; after this payment only the 5% retainage will remain unpaid; and district engineer Tyler Hendrickson recommends the payment be approved. Bill Hart made a motion, seconded by Sidney Schlebach, to approve Pay Request Number Three (3) in the amount of \$163,827.50 to Excel Trenching. A vote was taken, and the motion passed 5-0.
8. **Discuss and consider approval of bids for the purchase of a Generator.** General Manager Corey Trail reviewed the submitted bids and identified H & H Electrical Contractors as the lowest responsible bidder. Bill Hart made a motion, seconded by Mike Metzger, to approve the bid from H & H Electrical Contractors for the purchase of a 22KW Generator in the amount of \$13,851. A vote was taken, and the motion passed 5-0.
9. **Discuss and consider approval of the Non-Standard Water Utility Service Contract for Industrial Use between Talty Special Utility District and Stillwater Capital Investments, LLC.** General Manager Corey Trail informed the board about the project's location, our ability to supply the level of service requested, and that the proposed Non-Standard Water Utility Service Contract (NSC) is similar to other NSCs approved for industrial tracts near this development. Sidney Schlebach made a motion, seconded by Bill Hart, to approve the Non-Standard Water Utility Service Contract for Industrial Use between Talty Special Utility District and Stillwater Capital Investments, LLC. A vote was taken, and the motion passed 5-0.
10. **Discuss and consider approval for the Non-Standard Water Utility Service Contract for Industrial Use between Talty Special Utility District and Hunt Southwest – Gateway East, LLC.** General Manager Corey Trail informed the board about the project's location, our ability to supply the level of service requested, and that the proposed Non-Standard Water Utility Service Contract (NSC) is similar to other NSCs approved for industrial tracts near this development. Bill Hart made a motion, seconded by Sidney Schlebach, to approve the Non-Standard Water Utility Service Contract for Industrial Use between Talty Special Utility District and Hunt Southwest – Gateway East, LLC. A vote was taken, and the motion passed 5-0.
11. **Discuss and consider approval of the Negotiation Contract with the City of Forney.**

The Board of Directors recessed into Executive Session at 6:33 p.m. under Section 551.071 of the Texas Government Code – consultation with the District's Attorney about a Confidential Settlement Proposal 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 6:48 p.m.

Action taken as a result of Executive Session: Bill Hart made a motion, seconded by Mike Metzger, to approve the Confidential Settlement Proposal (CSP) conditioned on special counsel John Carlton


confirming to general counsel James Wilson that the CSP provides for reevaluation and adjustment of Talty SUD's annual minimum (a/k/a annual take-or-pay amount) at least every 5 years or that the CSP be amended to provide for a minimum 5-year reevaluation and adjustment period. A vote was taken, and the motion passed 5-0.

12. Monthly Operations Reports from General Manger, Field Supervisor and Office Manager.

- (a) Water loss was good for the month of May at 8.7%.
- (b) As evidenced by the last page of the Board Packet, there have been lots of Work Orders this month.
- (c) Alex Gaumer (Field Employee) will be leaving Talty SUD on Tuesday, 6/22/21 due to other employment. We have hired a new Field employee, Justin O'Neal.
- (d) The material for the fence at Pump Station #1 has been ordered.
- (e) TCEQ inspections were last month and went very well. Talty SUD received no violations
- (f) We purchased an enclosed trailer for all of the sewer equipment.
- (g) Alexia Poppa (Office Employee) has left Talty SUD, and we have hired Fallon Walters to be her replacement.

13. Adjourn: Scot Boisvert adjourned the meeting at 6:59 p.m.

Approved by the Board of Directors of Talty Special Utility District on this 19th day of July 2021.



Bill Hart, Secretary