

JOHNSON COUNTY SPECIAL UTILITY DISTRICT  
BOARD OF DIRECTORS MEETING  
TUESDAY, NOVEMBER 19, 2019

Pursuant to a notice timely posted in accordance with Government Code, Title 5 Chapters 551 & 552, the Board of Directors of the District shall hold an open meeting on November 19, 2019 at 5:30 pm at the District office in Joshua, Texas.

At the Board Meeting, the directors present were Tommy Webb, Gene Petross, Eric Baze, Harry Shaffer, Jack Beavers, Richard Connally and Ronnie Nichols. Staff members attending were General Manager, Terry Kelley, Comptroller, Kathy Rice, System Development Manager, Dana Collier, System Operations Manager, Danny Armstrong and Utility Services Manager, Josh Howard. Attorney Scott Cain and Keith Kindle, P.E. with e-HT Engineers, were also present for this meeting.

Agenda Item 1. Call to Order; Confirm a Quorum President Tommy Webb called the meeting to order at 5:38 pm and determined a quorum was present.

Agenda Item 2. Invocation Eric Baze gave the invocation.

Agenda Item 3. Open Forum Shelly Anderson and Adam Haynes signed in to speak during the Open Forum. Shelly inquired if ratepayers would be able to view the General Manager's proposed employment contract prior to the vote. President Webb informed that discussion of the contract would take place later in Executive Session. Adam Haynes stated that he was overcharged for usage and requested an explanation for what he felt was a large bill. Terry asked if Haynes was working with Customer Service on his issue. Haynes replied, "No". Josh explained that Customer Service was indeed responding to Haynes' complaint and that an investigation was ongoing to respond to Haynes. Haynes then inquired about the location of the new office being in Bethesda Water Supply Corporation's service area. Terry responded of the office campus being in JCSUD's area. This concluded Open Forum.

Agenda Item 4. Consent Items:

- a. Approve Minutes of Regular Board Meeting of October 2019
- b. Approve Financial Report for October 2019
- c. Order the Election for February 1, 2020 (if needed)

The minutes of the October Board Meeting were presented for consideration. Kathy detailed the financial report for October 2019. President Webb announced the Order of the Election for February 1, 2020. Ronnie inquired about having previous statements made by him regarding Ray's report detailed in the minutes. Terry reviewed the recording of the last meeting. After some discussion, Tommy entertained a motion to accept consent items B and C as presented. The motion passed with a unanimous vote. Regarding consent item A, Jack motioned to accept the minutes as presented, and Richard seconded the motion. The motion passed with 4 votes and 3 dissenting votes from Petross, Nichols and Shaffer.

Agenda Item 5. Presentation by Hibbs & Todd on Cost Update of the CIP Bundled Loan (TWDB) Project and CMAR Contract Amendment #1

Keith Kindle gave a presentation detailing the cost update for the CIP Bundled Loan Project. He noted that the original project application estimate is over 18 months old and this fact, coupled with the regional boon of rebounding economy is the driver for higher construction costs. The total CIP Bundled Project cost is more accurately estimated today at 13.5% more than the "opinion of probable cost" in 2017. Keith detailed project specifics at length. The \$2.9 million needed for today's updated estimate has about \$671K (one-fourth of the increase) of work to do that was not originally accounted for, due to 2,300 linear feet of pipe, air-release valves, and meter reconnects not in the original scope.

He provided an updated proposal from the CMAR for the Directors' consideration, as well as described the essential function of the CMAR. Kindle's presentation was an update for the CIP Bundled Project and no action was required.

Agenda Item 6. Consider Resolution Authorizing e-HT and CMAR (Pepper Lawson Waterworks, LLC) to Proceed with Construction Services under the Guaranteed Maximum Price Proposal #1:

After some discussion, as a follow-up to Kindle's presentation, Eric motioned to accept the Resolution detailing the GMP (Guaranteed Maximum Price) Proposal and proceed with construction services as proposed by e-HT for the CIP Project. Richard seconded the motion. The motion passed with four votes. Shaffer and Nichols opposed.

Agenda Item 7. EXECUTIVE SESSION:

As authorized by the Texas Open Meetings Act, Government Code Sections 551.071 and/or 551.074, the Board convened in closed session at 6:40 pm to consult with legal counsel and/or deliberate regarding a) potential litigation with Joshua Development Company, and b) a proposed employment agreement for the General Manager. The Board ended its closed session at 9:15pm.

Agenda Item 8. RETURN TO OPEN SESSION:

The chair recognized Nichols, who moved to reject the Employment Agreement with the General Manager. Shaffer seconded the motion. The motion failed with two votes for and five votes against. Beavers then moved to authorize the President and VP to sign the subject Employment Agreement with the modifications to paragraphs 3.1, 3.1A, as discussed in executive session. Baze seconded the motion and it passed with 5 votes for and two against.

Agenda Item 9. Consider Adopting the JCSUD 2020 Budget and Capital Improvement Program

Kathy presented the JCSUD 2020 Budget for consideration. Eric motioned to accept the 2020 Budget as presented with a modification which would increase the 2020 Budget in the Employee Salaries account by \$11,600. Jack seconded the motion and it passed unanimously.

Agenda Item 10. Reports: Staff, Directors, Committees

Dana noted in regard to the CDBG grant project, she has an upcoming conference call arranged to determine project status and whether it can proceed.


Josh mentioned about being in the TRWA's Emerging Leaders Program and that was the basis for having a meeting with Representative DeWayne Burns. He and Terry spent about an hour talking about a sundry of items from recent legislation to topics of regional water supply for the area. It was a good, positive meeting and thought it helped with nurturing the District's relationship with Rep. Burns.


Terry noted the PUA meeting in Acton at 2 pm tomorrow. Due to the Thanksgiving Holiday, the date was amended to take place the week before the regular monthly meeting.

Ronnie reminded that, due to recent legislation, more detailed language is required on the customer bills. The added language requiring more of the District's contact information and location was not yet posted on his most recent bill. He also noted the total number of data collectors installed according to the Managers report. Danny detailed that the number on the last report has a more updated amount; there are actually 32 poles set. Ronnie observes that some 4,089 meters are changed out at this time. Danny stated that the contractor, Concord has added two additional installers to the program in effort to pick up the pace in the installation program.

Agenda Item 11. Adjourn

Gene made a motion to adjourn the meeting, and Eric seconded the motion. A unanimous vote adjourned the meeting at 9:34 pm.

  
Tommy Webb, President

  
Jack Beavers, Secretary/ Treasurer