**Chateau Woods MUD Board Special meeting minutes**

**At 10224 Fairview Drive Conroe, TX 77385**

**April 13, 2022**

**Call meeting to order by presiding officer**

Meeting called to order at 7:00pm by Director Schoop

**Roll Call of Directors and establish a quorum**

Director Hardage, Director Merceri, Director Mitschke, Director Ramsour, and Director Schoop all present.

Also present were Larry Foerster, the District’s General Counsel; Levi Love and Lesley Reel of L squared Engineering; and Derick Dickmann of A1 Utility.

Public in attendance: Bill Blitch with Blitch and Associates; John and Kathy Allen, 11720 Great Oak; Garrett Henning, 1527 Glen Oaks Drive; Jon Parris, 1004 Chateau Woods DR.; Lacie Whorley, 647 Chateau Woods Parkway; and Debbie Simmons 431 Pinewood Dr.

Invocation, Pledge of Allegiance, and Pledge to the Texas Flag

**Discussion and possible action on awarding repair work on District water well at water plant 2**

Levi Love reported that bids were requested from three well drillers for the repair of the well at Chateau Woods Water Plant 2. This is an emergency issue. Only two bids were received. Director Mitschke made a motion to award the lowest bidder, Ballard Water Wells the contract in the amount of $74,188.43 pending receipt of insurance with addition of up to $12,000 for any hours expended on the project by A1 Utility and L Squared Engineering, not to exceed $86,188.43 total. Director Hardage seconded and the motion passed with all in favor.

**Discussion and possible action on awarding bid for new water plant**

Two agenda items were combined together for discussion: awarding a bid for new water plant and financing the District’s new water well, if necessary.

Levi Love reviewed the situation for the bid on the new water well. A bid package was prepared for the Chateau Woods Water Plant 3 and bids were publicly opened and read at 3:00pm on March 24, 2022. Only one bid was received from a contractor, WW Payton. Levi Love explained that given the unexpected high bid from WW Payton, he had pared the cost of the project down to about $2,838, 090 by value engineering. He confirmed with WW Payton that the bid numbers were still good and that the subcontractors would stay with their quotes. Based upon this information and discussion, Director Mitschke made a motion based on only one bid received to award the contract to WW Payton in the amount of $4,700,000.00 pending receipt of performance, payment bonds, insurance, and value, and an engineering change order equal to a decrease of $1,861,910.00 or more, for the maximum total contract amount after change order of $2,838,090.00. Director Hardage seconded the motion and it passed with all in favor.

Larry Foerster introduced Bill Blitch. He is a financial advisor who helps find suitable financing for municipal utility districts and cities. Mr. Blitch presented his credentials and reported on what he has learned about the District’s favorable financial history. However, he cannot make further inquiries for the District without the Board’s authority. He gave a proposed service contract to board members to review before the next meeting. He will explore possible financing if needed for the Water Well No. 3 or for any future emergencies that may arise. No action taken at this time.

**Consider approving a permanent easement for a water well site at The Reserve at Sleepy Hollow by Holigan Communities Inc.**

The Board has been asked by Holigan Communities to approve a permanent easement for the water well site on the Holigan Community property at The Reserve. The Utility Services Agreement with Holigan and the District, signed in March 2021, calls for a special warranty deed of about 2.7 acres to be conveyed to the District for the water well site. The size of the site will be large enough for two wells if a second well is ever necessary, and also large enough for two 150-foot sanitary control easements for each well. Larry Foerster and Levi Love explained that if a deed is conveyed, it will require Holigan to plat the entire property with the County, a cost of at least $7,500 plus delays in getting the plat approved by the County. This will delay development of The Reserve. So Holigan had requested that the District accept a permanent easement rather than a deed. Larry Foerster has confirmed that the TCEQ will accept a permanent easement for the water well and that it has no time limit as long as the water well is needed by the District. However, the Board is concerned that a permanent easement will not protect the District like a warranty deed will.

The Board also noted that the Utility Services Agreement provides that the District will provide trash service by its contractor to The Reserve property with a 10% markup by the District to cover its administrative expenses. The Board would prefer that Holigan arrange for separate trash collection, but Holigan does not want to deal with the trash as it can be charged with the District’s monthly utility fees to residents in The Reserve. The Board reluctantly agreed to comply with its written obligation to serve trash collection to the development as the Board is insisting on a water well deed rather than a permanent easement. Holigan Communities Inc must comply with the Services Agreement by giving Chateau Woods MUD a warranty deed for the water well site. Per the Services Agreement, trash service will be included with District utility service. Levi Love also mentioned that the number of single family connections for The Reserve will be about 500 rather than 485, so the impact fees will also increase. This change can be addressed in an amendment to the Utility Services Agreement. No action on an amendment to the Utility Services Agreement was taken at this time.

**Discuss and take action, if necessary, on financing the District’s new water well**

(Addressed above in the agenda)

**Reconsider the Sunrise Group’s request for utility service of its property located outside of the District’s CCN**

No action taken as the Board does not want to take on more service outside of its CCN given the demands for service within its CCN.

**Discuss and take action on a settlement with Elizabeth Izaguirre**

**Convene into executive session under Section 551.071 of the Texas Open Meetings Act to confer with District’s attorney about pending litigation**

 Convened into executive session 8:18pm

Reconvened into regular session at 8:37pm

**Reconvene into open session to take possible action on matters discussed in executive session**

Director Mitschke made a motion to dismiss the District’s lawsuit with Elizabeth Izaguirre. Director Hardage seconded and the motion passed with all in favor.

**Adjourn**

Director Schoop made a motion to adjourn the meeting. Director Ramsour seconded and the motion passed unanimously.

Meeting adjourned at 8:38pm

Meeting minutes prepared by Board Secretary, Director Cassandra Merceri