

Spring Valley Water Supply Corp.  
Regular Meeting of the Board of Directors  
June 11, 2019

|                |                          |
|----------------|--------------------------|
| President      | Larry Hobbs -- Absent    |
| Vice President | Kyle Grigsby             |
| Secretary      | Bert Hernandez           |
| Treasurer      | Darrell Bledsoe          |
| Director       | David Morrison -- Absent |
| Director       | Zandy Goode              |
| Director       | Steve Roy -- Absent      |

**ITEM 1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM**

The meeting was called to order at 5:15 p.m. by Vice President Kyle Grigsby with a quorum present.

**ITEM 2. RECOGNITION OF VISITORS**

There were no visitors.

**ITEM 3. PUBLIC COMMENTS**

There were no public comments.

**ITEM 4. RECOGNITION OF SCHOLARSHIP RECIPIENT**

Darrell Bledsoe introduced Jeff Forrest who was one of the recipients of our scholarships. He has completed league baseball play and will be attending Northeast Texas Community College. Mr. Forrest thanked the Board for the scholarship he received.

**ITEM 5. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING**

A motion was made by Darrell Bledsoe to approve the minutes from the previous BOD meeting. Kyle Grigsby seconded the motion.  
All in favor – none opposed.  
Motion carried.

**ITEM 6. REVIEW AND POSSIBLE ACTION ON METER REQUESTS**

There were no new meter requests for the Board to consider action on.

**ITEM 7. DISCUSSION OF PATRICIA COWAN METER REQUEST**

This agenda item was placed on the basis of the May 2019 Board Meeting. However it was determined at this meeting that this discussion would be part of the overall discussion of Agenda Item #11 – Discussion of Future Development.

**ITEM 8. UPDATE ON MICHAEL DEUTSCHMANN METER REQUEST ISSUES**

President Larry Hobbs was not present at this meeting to provide an update on this issue. No other Board members or Aqua staff were aware of any new developments since the last Board meeting other than we are again incurring above average monthly legal fees to deal with this matter.

This agenda item was tabled for further discussion at the July 2019 Board Meeting.

**ITEM 9. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER**

Frank Alexander provided the Board with the current financial statements and reviewed them with the Board. A detailed review and discussion of the Profit and Loss Statement indicated that a loss of \$25,487 was principally due to \$26,478 in water system repairs which was higher than normal and incurring \$6,642 in legal fees. The Board determined the only actionable expenses were the legal fees, but at this time the Board would have to wait until an update on the Deutschmann meter request to consider what actions to take. A motion was made by Darrell Bledsoe to approve the financial report. It was seconded by Bert Hernandez. All were in favor and none opposed. The motion carried.

**ITEM 10. TABOR ENGINEERING – UPDATE ON PROJECTS**

Johnny Tabor reported on the Southern View project. Additional unrecorded and unmapped lines were found and were also found to be hot lines. One is believed to be a four-inch line and one is an inch-and-a-half line. It is not known where these lines connect into the system. Discussion led to the conclusion that the origin of these lines needed to be found. Mark Kocian will speak to the previous system operator (Judd) and to Ken Mays to see if they have knowledge of these lines. In addition, Zandy Goode made a motion to authorize spending up to \$5,000 to pothole to search for the origin of these lines and if that was insufficient, to authorize Mark Kocian to approve an additional \$5,000 to be spent with KBL to continue the investigation of the lines' origin. The motion was seconded by Bert Hernandez and was voted on. All favored the motion, the motion passed.

**ITEM 11. DISCUSSION OF FUTURE DEVELOPMENT**

The discussion centered on the benefits of taking the Bethany Plant off-line. Benefits would include higher pressure since lines to Bethany come in from the Judd Plant at 100 PSI, dump to a reservoir, and then Bethany pumps out at 80 PSI. Also discussed would be the reduction of operating and maintenance expenses by having it off-line. Service to customers was discussed and it was determined that additional meters could be installed as a result of taking the plant off-line. Before action should be taken, a current hydraulic and mapping analysis should be made. This would enable setting of priorities for future development.

**ITEM 11. DISCUSSION OF FUTURE DEVELOPMENT (cont'd)**

There was agreement that this should be done and Tabor Engineering had a proposal to perform it for \$8 per meter with the cost at approximately \$6,424 based on 803 meters.

A motion was made by Darrell Bledsoe to accept the proposal and was seconded by Bert Hernandez. All approved the motion, the motion passed.

**ITEM 12. REGULAR UPDATE ON BLUEBONNET WATER SUPPLY AND POSSIBLE ACTION**

Darrell Bledsoe reported on operations at Bluebonnet. He reports Bluebonnet is completing a building for storing their equipment which they are now using to perform their own repairs. Bluebonnet has also revised their Drought Contingency Plan to conform to BRA's. He also reports that Bluebonnet is changing banks and moving their funds from Compass Bank in Temple and 1<sup>st</sup> National of Moody to 1<sup>st</sup> National Bank at McGregor. Bluebonnet is also encouraging employees to join service organizations such as Rotary, Lion's, etc and is providing some financial assistance to them to help them get involved.

**ITEM 13. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING OPERATIONAL ISSUES**

There were no questions to the Board.

**ITEM 14. WATER SYSTEM OPERATIONS REPORT BY REPRESENTATIVE OF AQUA TEXAS (NO ACTION TO BE TAKEN BY THE BOARD) INCLUDING THE FOLLOWING: (A) OPERATIONS REPORT; (B) WATER USAGE AND ACCOUNTABILITY; (C) FACILITIES, EQUIPMENT, AND REPAIRS; AND, (D) FINANCIAL REPORT**

Mark Kocian reviewed the Directors' Report with the Board of Directors.

**ITEM 15. REVIEW AND APPROVAL OF MONTHLY BILLS FOR PAYMENT OF EXPENSES OF THE SPRING VALLEY WSC**

On completion of the review, a motion was made by Kyle Grigsby to pay the bills presented. This was seconded by Bert Hernandez. All voted in favor and none opposed. The motion carried.

**ITEM 16. ADJOURN INTO EXECUTIVE SESSION IF NEEDED AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074**

No Executive Session was required.

**ITEM 17. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION**

No Executive Session was convened.

**ITEM 18. SET TIME AND PLACE FOR THE NEXT REGULAR MEETING OF THE BOARD**

The next meeting will be Tuesday, July 9, 2019 at 5:15 p.m. It will be held at the Aqua Texas office at 7025 Sanger Avenue, Waco, TX, 76710.

**ITEM 19. ADJOURN**

A motion was made by Darrell Bledsoe and seconded by Kyle Grigsby to adjourn. All were in favor and none opposed. The motion carried and the meeting was adjourned.