

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
February 14, 2023

Page 1 of 5

President	Larry Hobbs
Vice-President	Zandy Goode
Secretary	Bert Hernandez
Director	Darrell Bledsoe
Director	David Morrison
Director	Gerald Theut --absent
Director	Kyle Grigsby

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

The meeting was called to order at 3:30 p.m. by President Larry Hobbs with a quorum present.

ITEM 2. RECOGNITION OF VISITORS

Ms. LeAnn Villanueva and her daughter were present.

ITEM 3. PUBLIC COMMENTS

There were no public comments.

ITEM 4. DISCUSS AND POSSIBLE ACTION: JOSE & LEANN VILLANUEVA WATER LEAK

Mrs. Villanueva explained how she discovered that she found she had a water leak and that it wasn't evident to her immediately because the leak drained on to her neighbor's property and she did not have standing water in her yard though her neighbor did. Tony Gregory explained the inspection process that determined the leak was on the customer side of the meter. After deliberations, Kyle Grigsby made a motion to reduce the water bill to bill at the lowest rate of \$4.60 and to permit it to be paid out over 24 months. Zandy Goode seconded the motion, and on vote the motion was approved.

ITEM 5. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING

The minutes from the January 2022 meeting were reviewed and a motion was made by Kyle Grigsby to approve the minutes from the previous Board meetings. Zandy Goode seconded the motion. The vote was taken and all approved the motion.

ITEM 6. DISCUSS AND POSSIBLE ACTION: BLUEBONNET WATER SUPPLY REPORT

David Morrison gave the Bluebonnet report. He reported he had spoken to Jim Lilley and that the engineering study was still underway on the new pipeline to supply SVWSC. Bore sampling was occurring so progress was being made. On requisitioning more water, he reported a company had been hired by Bluebonnet to survey its customers to make the determination on how allocations of water were to be made in the future. Zandy Goode made a motion to approve the Bluebonnet report. It was seconded by Larry Hobbs and on vote, the motion passed unanimously.

ITEM 7. REVIEW AND POSSIBLE ACTION ON METER REQUESTS AND STATUS ON PRIORITY LIST FOR NEW METERS

There were no items to take action on. No meter requests have been made and SVWSC remains on pause on granting new meter requests until the Bluebonnet issue is resolved.

ITEM 11. DISCUSS AND POSSIBLE ACTION: PROGRESS ON THE WEBSITE CHANGES & ADMINISTRATION

Larry Hobbs made a motion to move Item 11 and Item 12 up on the agenda. David Morrisson seconded the motion and on vote it passed.

There was no progress to report on changes in the Website.

ITEM 12. DISCUSS AND POSSIBLE ACTION: PATSY JUDD SCHOLARSHIP

Darell Bledsoe reported that the Scholarship fund had \$4,200 in it which included two scholarships from 2022 that had not been distributed yet. This was discussed and the recommendation was made that if a recipient had not claimed the funds by September 1st of the year, that the scholarship be voided and the funds be considered available for future scholarships. It was determined that the two recipients that had not claimed their scholarships be contacted so that they would be given the opportunity to claim the scholarships that they had been awarded last year. Further discussion led to the conclusion that the time limit for claiming the scholarships should be moved to the second semester of the scholastic year. The history of the scholarship program was discussed and all were in agreement to rename the Patsy Judd Scholarships to the Russell and Patsy Judd Scholarships. Larry Hobbs made the motion to rename the scholarships to the Russell and Patsy Judd Scholarships and require recipients to move to claim the awarded scholarships by February 1st of the year following the award of them. David Morrisson seconded the motion and on vote, the motion passed.

ITEM 8. TABOR ENGINEERING – UPDATE ON PROJECTS

The first item Johnny Tabor reported on was the Plant Rehabilitation for the Judd and Moses Plants. The electrical work at the Judd Plant is waiting on power from the HOT Electric Coop. Barsh has scheduled the shutdown of the existing Moses Plant and pipe connections to the new plant on February 15th. Both the Judd and Moses Plant ground tanks will start filling this week. Tony Gregory reported that the Moses Plant ground tank was already filling. The new Moses Plant requires filling the ground tank, filling the pressure tanks, testing, and disinfection before it can be put on line. The Moses service area will temporarily receive water from the Judd Plant by-pass. The by-pass will occur when the main line is cut to make the connections. All of Moses Manor will lose water temporarily but notices will be sent out to that effect. Jurgensen Pump will begin the well rehabilitation work at the Moses Plant once the pipe connections are complete. Well work at the Judd Plant is waiting on getting power there. Jurgensen Pump will pull the pump, and the next day, will bring in the equipment to shoot the additional perforations to the well casing. Johnny Tabor recommended that we allow a few days to allow the water sediment to settle out and then doing a camera survey to check on the work.

The next item was the water line rehabilitation performed by Breton Backhoe Services. This work has been completed and the final documents have been sent to SVWSC.

On the Mockingbird-Robin Addition, work has been held up by weather and a break-in and theft of materials from Bear Contractors supply storage building on Loop 340. About \$130,000 of materials were taken and at this time the contractor is waiting for new materials to be delivered from their supplier. The completion date remains May 25, 2023.

Johnny Tabor had nothing new to report on the Lakeridge Estates development since November. A question came up on where we were on the project. Johnny Tabor reported he sent in one set of plans to Waco, had them approved, and then changes were made on the plattees which required a resubmission of plans to Waco for approval. He stated he had the plans for the revised plattees ready to go to Waco for approval but had received approval to send them from either the Board or Ken Cooper, the developer.

David Morrison made a motion to accept the Engineer's report. Kyle Grigsby seconded the motion, and on vote, the motion passed.

ITEM 9. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER

Frank Alexander was not present at the last meeting so on this date he presented the balance sheet ending December 2022. He had made some large contract payments which reduced cash but also reduced liabilities so there was not much change in the overall balance sheet. A discussion was held concerning contract payments and it was the sense of the Board that they should not be paid until work was completed if the contract specified payment at the end of the project.

Larry Hobbs made a motion to accept the financial report. It was seconded by Kyle Grigsby and on vote, the motion passed.

Frank Alexander had prepared a 2023 budget for the consideration of the Board. The budget was discussed and no changes needed to be made to it. Expected income was not raised substantially, but expenses were factored for increases in them. Interest paid should be reduced in 2023 as note payments reduce interest-bearing principal. The total budgeted net income in 2023 will be \$265,650 of which a note payments of \$65,000 will be made.

Larry Hobbs made a motion to accept the budget as presented. The motion was approved by Bert Hernandez and on vote, the motion passed.

ITEM 10. DISCUSS AND POSSIBLE ACTION: CHANGES IN WATER RATES & FEES

Bert Hernandez and Darrell Bledsoe presented a recommendation to the Board concerning changes in water rates and fees. Ken Mayes had reviewed the fee schedule and made his recommendations which the Rate Committee agreed on. In discussion with the Board one fee change, that of the \$15 late payment fee, was recommended to be raised to \$25. The other recommended fees were satisfactory to the Board. The issue of whether to refund or transfer membership fees was discussed and it was determined that the Board and the Aqua staff were in favor of making them transferrable rather than refunding them as currently occurs.

The water rates were discussed and it was decided before voting on the fees and rates, to present them to the membership at the Annual meeting next month. In addition, current customers were to be given the opportunity to get in line for new meters at the current rate by being put on the wait list for meters. It was decided to vote on the fees and rates at the business meeting following the Annual Meeting after discussion with members. The new fees and water rates would be effective May 1, 2023.

ITEM 13. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS

On review, the motion was made by Larry Hobbs and seconded by Zandy Goode to authorize payment of bills for February 2023. All were in favor and the motion passed.

ITEM 14. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING GENERAL OPERATIONAL ISSUES

Since there were only two applicants for the open Directors' positions and they are being filled by current Board members, Larry Hobbs read the Resolution of the Board of Directors Declaring Election of Unopposed Candidates. Kyle Gribby and Zandy Goode were the candidates for positions they currently hold.

ITEM 15. 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 presented the Operations Report .

Larry Hobbs made the motion to accept the water operations report. It was seconded by Kyle Grigsby. On vote, the motion passed.

Tony Gregory advised that there will be more water used for flushing used in the next report due to Plants coming on line.

The Board recognized Tony Gergory for his service to the SVWSC as he will be retiring on March 3, 2023.

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

The Board adjourned into Executive Session at 4:54 p.m.

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

There was no action taken during the Executive Session so the regular Board meeting was reconvened at 5:19 p.m.

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

The next meeting of the Board will be on Tuesday, March 7, 2023 immediately following the Annual Meeting to be held at 6:30 p.m. at the Aqua Office, 725 Sanger Avenue , Waco, TX.

ITEM 19. ADJOURN

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

Submitted by: Humberto Hernandez March 2, 2023
Humberto Hernandez
Secretary, SVWSC