

Leroy Tours Gerald Water Supply Corporation
Monthly Board of Directors Meeting – January 12th, 2023 @ 7:00 pm

1. Determination of Quorum, Call to Order

Meeting called to order at 7:00 pm. Present: John Simcik, Robert Polansky, Dennis Debbendener via zoom, Carol Baker, Cheryl Helms, Cole Canady, Lyn Middleton, Don Ramsey, Stephen Symank, Diane Delgado and Roy Davis, Charles Buenger, Adam Miles & James Smith

2. Hearing Members/ Visitors concerns – 3 minutes per person

N/A

3 Review, Discuss/ Take actions on minutes from December 8th, 2022 Board of Directors meeting.

Robert Polansky motioned to accept the minutes as written. Lyn Middleton seconded the motion. Majority in favor. Voted Against: Baker and Ramsey. Motion passed.

4. Review, Discuss/Take Action on revisions on any item regarding Monthly reports.

(a.) The Directors Report was given by John Simcik. No high usage this month.

(b.) Financial Reports were given by John Simcik. Discussed the profit gained from the P&L end of year report and that this would be moved from the general account.

(c.) Office Manager Reports: November- There were 67 late notices with an outstanding balance of \$ 21,213.00, 1 account is @ 11,441.43. Worked on requests from the USDA-RD loan. We are still waiting for the dual certification from the City of Waco. The PUC approved the request for an extension and gave it until January 3rd. 2023. Worked with the President and Secretary treasurer on the FY2023 Budget information and with the Credentials Committee on the Election packets.

December - There were 39 late notices with an outstanding balance of \$ 9,044.96, 1 account is @ 8,302.56. Worked with the engineer on a request from the USDA-RD loan. Completed Ballot and sent election material to the printer. The credentials committee completed the election packets, the office took them to the USPS on 12.22.22 We are still waiting for the dual certification from the City of Waco. The PUC approved a request for an extension and gave it until February 3rd. 2023. Continued working with the President and Secretary treasurer on the FY2023 Budget information. To receive government funds from the USDA-RD and ARPA, you must register every year with the U.S. Government's System for Award Management. Due to the processing taking longer than normal this year, I was told it could be up to 3 months. The need to expedite this process was needed to maintain active status now and until the project is completed. I was approved to sign up for 3 years at \$ 999.00 with the federal processing registry. ARPA (American Rescue Plan Act) agreement was reviewed and approved by the attorney and engineer. The Board President has signed and delivered this agreement to McLennan County.

(d.) Operational Report- 23 Invoices paid for. 2 major leaks were repaired high water loss one was on a 2" line. Both Wells are working as normal. Had a lot of small leaks that have been completed or have a work order.

(e.) Field Manager Report- Work Orders 31 total given in November. Work Orders 23 total given in December. Went over current leaks, went over finding another company to do some repairs Hand Plumbing cannot do. Discussed a new brand of meters that has had an issue. TRWA has a listening device to detect leaks. They bring it out themselves and use it to find your leak. There is no charge if you are a member.

(1.) Complaints/Concerns from members- Informed the board about several calls received regarding two different concerns from social media posts. 1. Stating employees got a big raise. It was explained to them that this was not correct. 2. That a director is being allowed to sell/repair products to LTG and pocketing the money. The members were very concerned how this was allowed to happen. They were assured this was false information that it would take at least six people to be involved for this to happen. Also, let them know it would be brought to the board to be addressed.

5. Review and discuss report of investigation concerning allegations relating to Conflicts of Interest and financial matters.

The Board President Mr. Simcik stated as soon as he was notified, he contacted the attorney to have this investigated.

The attorney Mr. Miles addressed the board on the findings from the investigation that was done because of the unfounded claims that were circulated through social media and newspaper articles.

Mr. Miles went over procedures that are in place on how payments are made. Who sees payments and account balances. There must be two signatures on every check. Spoke with the CPA on her procedures she requires while collecting information every month for each account. Found nothing, all accounts balanced.

The Conflict-of-Interest policy, disclose competing interests. Should such a situation arise, you must let the corporation know. The board can vote on conflict. One director filed a disclaimer.

Searched everyone for payments received by LTG. Payments can be made if approved by budget, voting or a bid. There were 4 checks written in 2022 to either a director or a potential competing interest.

1. Mr. Simcik – Router for the office
2. Baker – Padlock for the Election
3. Ramsey – Mail outs and newspaper ads
4. West Newspaper – yearly subscription

Protocols are being followed on payments, but policies may want to include no one signs a check written to themselves.

6. Review, Discuss/Take Action on Engineering.

(a.) Engineers Update- KSA was informed that the USDA-RD would not loan LTG 12 million due to the cost on members to repay the loan. The engineer was instructed to reduce the scope of the project to the Arsenic mitigation. KSA is working to make changes to process the application. The new cost is projected to be 9 million.

(b.) Use two Engineering Firms:

1. KSA to handle the EPA violation order
 2. Duff Engineers handling General Engineering & Possibly future TCEQ, USDA-RD, EPA & PUC projects.
- Lyn Middleton made a motion to accept the Duff Engineers contract. Robert Polansky seconded the motion. Majority has the vote. Motion passes.

Votes for: Middleton, Symank, Canady, Polansky, Debbendener, Simcik

Votes against: Helms, Baker, Ramsey

7. Review, Discuss/Take Action on Record Retention Resolution

Any and All information regarding the LTG Water Supply Corp. must be received by the office then disseminate accordingly. Robert Polansky motioned to make this resolution that the Office Manager will serve as the Public Information Officer for the Corporation. Lyn Middleton seconded the motion. All in favor. Motion passes.

8. FY 2023 Budget

Robert Polansky made a motion to accept the budget as is with a committee to review later. Cole Canady seconded the motion. All in favor. Appointed budget committee will be Robert Polansky, John Simcik, Cole Canady, Carol Baker.

(a.) Manager Roy Davis to discuss Wages & Cost of Living- Mr. Davis discussed the increased cost of living and reminded the board that the employees received a small raise in October 2022 and that the previous one had been in 2020.

9. Review, Discuss/Take Action on water adjustments

(a.) Pure Water Rate change recommended at \$10.50 per 1000 gals.: Discussed Pure Water charge of \$10.50 & how our members are charged. Members pay for a meter and usage. Pure is just charged usage. Robert Polansky made a motion to go with the current highest tier our members pay @ \$14.00 per 1000 gals. Lyn Middleton seconded the motion. All in favor.

(b.) Rate changes: Base to \$40.00 from \$39.93 & raise tiers each Tier by \$1.00 per 1000 gals.: The board discussed changing the rates & tiers. Robert Polansky made the motion to increase the Base rate to \$40.00 and add \$1.00 to each tier. Cole Canady seconded the motion. Majority in favor.
Voted Against: Baker & Ramsey.

(c.) Commercial Rates: TRWA circuit rider was at the meeting and was able to explain to the board about rates and tiers. Base Rate charges are determined by the size of the meter only. They are not determined by whether you are residential or commercial. The same goes for tier pricing, this would be determined by the amount of usage for that tier.

10. Review, Discuss/Take Action on any item under Old Business

(a.) USDA-RD loan update- This was discussed in the engineer report.

(b.) EPA Update- Order for \$30,000 was reduced to \$5,000 after a special meeting with the EPA and Directors & the engineer. The EPA is waiting on the USDA-RD loan application approval to send their final order.

(c.) PUC Update- The attorneys informed the board that on Monday January 9th the City of Waco sent the proposed dual use agreement required by the PUC for the overlapping in our CCN. This agreement had a required \$5,000 payment to the City of Waco. The board asked the attorneys to see if they could negotiate with them to lower this agreement. Lyn Middleton made a motion to approve up to \$5,000 unless the attorney can negotiate it down, stipulation attorney could fight it. Robert Polansky seconded the motion. All in favor.

11. Discuss and Take action job performance:

Mr. Davis requested a \$200- or \$300-dollar bonus for the employees.

Lyn Middleton motioned to table both the 8.a. wages/cost of living and 11 for employees for the next meeting. Cole Canady seconded the motion. Majority in favor. Mr. Ramsey had left the room. Motion passed.

12. Closed Session.

N/A

13. Action on topics discussed in closed session

N/A

14. Adjournment

Carol Baker made a motion to adjourn the meeting. Lyn Middleton seconded the motion. All in favor, Motion passed. Meeting adjourned at 9.28 pm.