

LEROY-TOURS–GERALD WATER SUPPLY CORPORATION BOARD OF DIRECTORS MEETING

December 9th, 2021

Don Ramsey called the meeting to order at 7:01 p.m.

Board Members Present: Don Ramsey, Cheryl Helms, John Simcik, Danny Randolph, Carol Baker, Kurtis Gerath, Jonathon Davis and Damon Willis were in attendance. Gerald Barak was absent.

HEARING OF MEMBERS'/VISITORS' CONCERNS - 3 MINUTES PER PERSON-

Cole Canady - voiced concerns over material price increases, wait time on materials. Recommended at least 12 to 20% in the budget.

Dennis Debbendener - question concerning engineering progress and what direction are we going, these are questions members have asked me.

Roy Davis – concern about by-laws on the ballot and no committee appointed, could be met with legal action. #1 President to be manager to manage managers. #2 Employees can't be directors #3 Director term taking voting away from members. #4 Article 20 USDA Rule about Bylaw change. Also, West paper had an RFP request from Pure Water.

CONSIDERATION OF MINUTES OF THE LAST MEETING-

Jonathon Davis made the motion to accept the meeting minutes from October 14th as written. Danny Randolph 2nd the motion. All others in favor, motion passes.

Monthly Reports:

DIRECTORS REPORT- Directors reviewed the report.

FINANCIAL MATTERS- The Board reviewed the Account balance sheet and the P&L.

MANAGER'S REPORT- There were 55 late notices with an outstanding balance of \$ 9,834.17. The new printer for the billing statements is still back ordered. We are still on a waiting list. Completed ballot forms for the election. Waiting for vote on location of voting for January 27th. Will complete all forms for the election after meeting to get them to the printer so the mail outs can go to the post office December 22nd. Also, completed the Monitoring Plan required by TCEQ to satisfy the agreed order from April. This was submitted and the technical requirement is now closed. The remaining technical requirement for relocating the water distribution line is due on February 14th, 2022. Diane will send another certified letter to owner of 2nd meter with large outstanding bill.

Election: Board voted to approve applicants motioned by Carol Baker, Cheryl Helms seconded, passed unanimous.

Voting Location: Kurtis Gerath made the motion to hold election at Leroy Baptist Church 5pm to 7pm, Jonathon Davis seconded, passed unanimous, as long as no legalities have changed.

Election Auditor: Roy Davis introduced Ken Bass to be Election Auditor. Carol Baker stated that the Credential Committee would like to appoint David Adams as Election Auditor on Jan. 27. Cheryl Helms motioned to accept Credential Committee recommendation, Kurtis Gerath seconded, passed unanimous.

FIELD MANAGER REPORT-

WATER LOST LOCATIONS FOR 10-21 to 11-22

WORK ORDER #	STREET	SIZE OF LINE	
21-528	Bode Rd.	4"	
21-549	Uptmore Rd.	3"	

EMERGENCY CALL OUTS: (1)

WORK ORDER #	STREET	SIZE OF LINE	
21-559	Berger Rd.	3"	3 hrs. in the field

Propane Tanks for generators: Jonathan Davis motioned to accept authorization of up to \$5000 for two new 250-gallon propane tanks and \$3000 for two used certified 250-gallon propane tanks., Kurtis Gerath seconded the motion, passed unanimous.

Bid for Whiskey Hollow Gate: Roy Davis stated that he received a new bid for a gate at pump #4 to be completed before January 1st for \$1300 from Mid-Tex. Kurtis Gerath motioned to accept bid and Jonathon Davis seconded the motion. Passed unanimous.

OPERATIONS REPORT-

Review Bids for Kelinske - Two bids were submitted. Mathis \$9500 for boring, \$7500 for covering exposed pipe. Lonestar submitted a bid for \$7500 to bury and \$6500 to cover. Danny Randolph motioned to accept Mathis bid for \$9500, John Simcik seconded. Passed unanimous. Job will be completed before Jan 1, 2022.

Review, Discuss/Take Action regarding FY2022 Budget- President Don Ramsey stated that the budget was unacceptable per KSA. Per Jonathan Davis, budget was wrong because 2021 budget price increases never took place. Will wait to increase rates after KSA gives us some figures. Tariff will also have to be updated at the same time. Budget will need to be approved in January 13th 2022 meeting. Discuss tariff and budget for next meeting in January.

Update on Engineer Progress on USDA-RD contract- Per Pres. Don Ramsey, Danny Hays with KSA Engineering submitted a letter stating detailed population projections for the next 50 years as required by USDA. KSA stated that the best source for extra water will be from Waco Water. "The first major task we have completed on the USDA PER is to conduct an analysis on the projected growth and water needs of LTG. We have detailed population and water demand projections for LTG individually. The projections indicate a shortfall in water availability occurring sometime between 2020 and 2030. This is substantiated by your recent usage in very near, or in excess of, the permitted amount of 54,419,300 gallons (167 ac-ft). This means that LTG will need to secure additional source water to meet the projected growth in its service area. The most likely provider of additional source water would be Waco, as there is infrastructure in place and LTG has previously positioned itself to purchase water from Waco."

Year	Population	Annual Demand (gal)	Annual Demand (ac-ft)	Shortfall (gal)	Shortfall (ac-ft)
2020	1442	52,633,000.00	161.52	1,786,300.00	5.48
2030	1557	56,830,500.00	174.41	(2,411,200.00)	(7.40)
2040	1658	60,517,000.00	185.72	(6,097,700.00)	(18.71)
2050	1761	64,276,500.00	197.26	(9,857,200.00)	(30.25)
2060	1863	67,999,500.00	208.68	(13,580,200.00)	(41.68)
2070	1962	71,613,000.00	219.77	(17,193,700.00)	(52.77)

Here are the projections from 2020 through 2070

Proposed bylaw changes- Jonathan Davis stated that we must have written permission from our lenders per article 20 of our bylaws to make changes to our bylaws. Carol Baker formally withdrew proposal to change bylaws. Jonathan Davis agrees that bylaws and tariffs need to be updated but we must have approval and a committee needs to be formed.

Updates on old Business- Per President Don Ramsey, EPA has exempted us from their monthly Zoom meetings. KSA had 60 days from early November 2021 to complete application and has been granted a 30-day extension (nothing written.) KSA is continuing to work on McLennan County grant.

Closed session: If required- No session was taken.

Action on Topics discussed in closed session – No action was needed.

ADJOURNMENT TIME-

9:06P.M. Johnathon Davis made the motion to adjourn. John Simcik seconded the motion. The motion carried unanimously.