

LEROY TOURS GERALD WATER SUPPLY CORPORATION BOARD OF DIRECTORS MONTHLY MEETING

March 10th, 2022

1. Determination of Quorum, Call to Order:

John Simcik called the meeting to order at 7:00 p.m.

Board Members Present: John Simcik, Robert Polansky, Dennis Debbendener, Carol Baker, Cheryl Helms, Lyn Middleton, Stephen Symank and Don Ramsey

2. Hearing Members/Visitors concerns- 3 minutes per person:

There were none.

3. Review, Discuss/Take Action on minutes from February 10th, 2022 Board of Directors meeting:

Carol Baker made the motion to accept the meeting minutes from February 10th as corrected. Dennis Debbendener 2nd the motion. All in favor, motion passes.

4. Review, discuss/take action on Vacant Director seat-

- A. Resignation of a director - Kurtis Gerath resigned from the Board. The Board accepted the resignation
- B. Appoint a new director to fill vacant seat- The Board asked the 2 candidates if they would like to speak to the Board. Both candidates gave a brief speech. The Board discussed both candidates. Vote for Brian Hart- Carol Baker, Cheryl Helms and Don Ramsey. Vote for Cole Canady- John Simcik, Robert Polansky, Dennis Debbendener, Lyn Middleton and Stephen Symank.

Cole Canady is the newly appointed Board of Director. Mr. Canady was then sworn in by Mr. Simcik.

5. Review, Discuss/Take Action regarding Monthly Reports:

A. Directors Report

The Board went over the report.

B. Financial Matters-

The Board reviewed the Account balance sheet and the P&L. Mr. Debbendener discussed the 2 CDs due to renew in April. Carol Baker contacted both banking institutions and was given .6% at Members Choice and .7% at Citizens State Bank.

C. Manager Report-

There were 42 late notices with an outstanding balance of \$ 7,527.74. Completed the Tier II for TCEQ. All invoices, reports, deposits, meeting minutes for 2021 and the FY2022 budget were given to the CPA. The CPA has submitted all required information to the USDA. There was a discussion at the last meeting questioning where all the deeds were and why they are not in the office or at the bank, Don Ramsey said he was told the USDA does not keep these documents. As of August 22, 2019 the USDA mailed a letter along with the original recorded deeds of trust from loans that had been paid in full. There are still 2 loans that are active and are not being released at this time.

D. Field Manager Report –

45 Work orders were given out - 1 Emergency call out. The generator's run time during the icy conditions was 48 hours.

Voting box- Don Ramsey and Carol Baker came in with the Election judge wanting to see the ballots so they can see that people voted. TRWA legal counsel was contacted and informed the staff that due to information on ballots they would need to be redacted before anyone except office staff views them. Cole Canady said we should follow what TRWA legal says and have employees do it and move on from there.

Lyn Middleton makes a motion –We use TRWA Rules & Regulations, call Election judge David to unlock the box. Employees will redact ballots & make a list with account numbers marked off showing their vote was received for this election and do this for future elections. Make this available for viewing. Carol Baker seconded the motion. All in favor, the motion passes.

Also, can we start shredding things past their required retention schedule.

Carol Baker made a motion to adopt a policy that any document which has passed its retention requirements be disposed of accordingly. Don Ramsey seconded the motion. All in favor, the motion passes.

E. Operators Report- Roy Davis gave report for Barry Hand

7 meters were replaced during the freeze. Bode was flushed due to chlorinator but is up and running. This was some of the loss on this month's readings. This was reported in February. The RV Resort has started the digging for the upgrade on the existing 2" line along Leroy pkwy to replace with a 4" line. This line has been hit twice due to its zigzag pattern. Working with RV resort to get commercial meter.

6. Review, Discuss/Take Action Southern Trinity Groundwater:

A. Southern Trinity GW agreement Right of Access and use of a Well for monitoring and study purposes- MR. Davis informed the Directors that Southern Trinity came out with equipment and ran tests and have determined this cannot be a monitoring well in its condition. Don Ramsey said to look into a company that may be able to test the well and see if it is usable, cap it at the bottom and leave it usable. So, before we spend a lot of money capping it, we may want to investigate it. Roy Davis asked for the companies Name and number to contact them and see.

B. TCEQ- Exception's request submittal form 20659- No longer needed.

7. Review, Discuss/Take Action KSA Engineers:

A. Engineer update- KSA was granted access to the LTG USDA application late last week. I have browsed through the application making updates/corrections as noted in the USDA comment letter and have uploaded the new preliminary engineering report. I will be generating a list of information that LTG will need to provide for entry/upload into the application. I have also notified Terri Chenowith that the new engineering report has been uploaded so that USDA can begin their review. I would like to set up a time with you next Tuesday, March 15th to go over the application. I can share my screen and we can discuss some of the data, documents, and steps needed to complete the application. There is currently no information about the grant from McLennan County.

B. Approval for KSA Engineering to prepare a proposal for Engineering Services for the Surface Water/Arsenic project- Mr. Simcik wants to start the conversation on who will be the Engineering firm for our upcoming project. The Board discussed the time line on the need to get a contract in place. The Board discussed the current engineers progress and work on the preliminary engineering report for the USDA-RD loan. Don Ramsey motioned to table because some directors have concerns with the work done. Similarities to previous Engineers report, including some cost issues. They have requested more time to review this report before making a decision. Lyn Middleton seconded. Majority in favor to table. Dennis Debbendener no vote. Motion passes.

8. Discuss/Take Action- Attorney's need to request extension from EPA regarding USDA-RD loan-

After attorney spoke with the engineer and was informed of the delays, she made a request for an extension from the EPA this week.

9. Discuss/Take Action Appoint as liaisons:

Don Ramsey and Carol Baker suggested the President should be the contact person for both it is your job. The engineer should also speak with the office manager, field manager and operator as well. Cole Canady suggested any correspondence should be written for all actions being done. Robert Polansky said these would be monthly reports given to the Board. The president can be the liaison and delegate these duties and appoint someone. Lyn Middleton said we are all directors voted on by the public and if you have a job that needs to be done you can get someone to do it.

A. Dennis Debbendener to give a report on the City of Waco

B. Roy Davis to give a report regarding Engineers

10. Review, Discuss/ Take Action- Signing of a new conflict of interest for every board of director-

Lyn Middleton went over the new policy with the Board. The board discussed the conflict of interest. Some said they would bring to the next meeting after reading it.

11. Review, Discuss/Take Action- Reviewing & Amending the FY2022 Budget & Rates

Dennis Debbendener went over the proposed changes to the FY2022 Budget. There were questions on some changes that need more research. Rates were discussed in depth with the Board. The rate changes both the base and tiers were gone over with the help of a TRWA rate calculation formula. The Board discussed many options. Proposed changes are as follows: Each existing Tier would go up by .50c per 1,000 gallons. The Base Rate would go up \$5.00 from \$34.50 to \$39.50. This change will go into effect on the monthly statements mailed at the end of May or first day of June. This rate change information will go on the back of statements and be on the website.

Lyn Middleton made a motion to table the Budget. Move to make 2 motions for Rate changes one for the \$39.50 Base Rate & one for the .50c per 1,000 gallons Tier Rate. Go ahead to approve rate increases as stated. Cole Canady seconded the motion.

Yes Votes

Base Rate Change

John Simcik
Robert Polansky
Dennis Debbendener
Cole Canady
Lyn Middleton
Stephen Symank

Tier Rate Change

John Simcik
Robert Polansky
Dennis Debbendener
Cole Canady
Lyn Middleton
Stephen Symank

Cheryl Helms

No Votes

Base Rate Change

Carol Baker

Don Ramsey

Tier Rate Change

Carol Baker

Cheryl Helms

Don Ramsey

Yes, votes have it. Base rate and Tier rates change passes.

12. Old Business- Public Utility Commission-

Diane Delgado updated the Board. The PUC sent Order No. 7, February 7th, 2022. Duff Engineers was called and they were already working with the PUC on one requirement for the mapping. The attorney said the other requirement was for the agreement between The City of Waco and LTG. I then contacted the City of Waco to get the contract that had been requested. Both Duff and the Attorney on Feb. 21st. were given the signed agreement to be filed for this Order due by March 9th, 2022. LTG could not view this order, only the engineer and attorney had access. LTG now has access to view this information from the PUC. This Order and filing are in the packet.

KSA Engineers informed Mr. Simcik that the USDA-RD will need LTG to put an intent to file for the USDA-RD loan in the newspaper. Carol Baker made a motion to file our intent to file application & advertise it in the newspaper. Lyn Middleton seconded the motion. All in favor. Motion passes.

14. Closed Session: The Leroy Tours Gerald Water Supply Corporation reserves the right to adjourn into executive session on any of the items listed on this Agenda, if at any time during the meeting an item meets the criteria which allow for executive session under Texas Government Code, TITLE 5, SUBTITLE A. CHAPTER 551. Personnel Matters (a) This chapter does not require a governmental body to conduct an open meeting (b) to hear a complaint or charge against an officer or employee. Was tabled until the next meeting.

15. Action on Topics discussed in closed session

No action at this time

16. Adjournment: 9:38 pm

Dennis Debbendener made the motion to adjourn. Cheryl Helms seconded the motion. The motion carried unanimously.