

LEROY-TOURS–GERALD WATER SUPPLY CORPORATION
BOARD OF DIRECTORS MEETING
MAY 9TH 2019

Don Ramsey called the meeting to order at 7:05 P.M.

Board Members present: Don Ramsey, Danny Randolph, John Simcik, Cheri Beuerlein, Dennis Debbendener and David White were in attendance. Gerald Barak and Jonathon Davis were not in attendance.

CONSIDERATION OF MINUTES OF THE LAST MEETING – Meeting minutes were reviewed. Danny Randolph made a motion to accept the minutes allow for any corrections. Dennis Debbendener seconded the motion. The motion carried.

DISCUSS ARSENIC MITIGATION - DUFF ENGINEERS - Duff went over the spread sheet they put together of the different options LTG WSC has. This spread sheet will be in with all meeting documents.

1- Waco Water 2- Filtration / Filtronics 3- Filtration / Layne Company 4- Develop new water supply from the Woodbine Aquifer.

Our Engineers have given their recommendations to go with Waco Water. Keep our Wells operational. In case of emergency or in a drought if Waco Water could not supply the community. We will exercise them to the ground to keep them in service. For as long as this is cost effective.

FHLM has been approved to stay at the top of the list for BRA Water out of lake Waco. This is for future water in 10 plus years. BRA would either build a treatment plant or FHLM would build one. They would treat the water and send it to who ever is on the list to buy it. There cost for raw water is \$75.00 per acre foot. BRA will start to have a contract ready in 2020 first payments would be due September 2020 for the reservation of water. This is still up in the air as far as how this will all work.

Once LTG WSC has made the decision Duff Engineering will finish the loan application and submit it to the USDA. Possibility of getting a grant to reduce the cost of the loans will not be known until after application has been processed. Anna went over the letter on the phone call with the EPA. The EPA stated that they could not make a recommendation. He could only stress that the deadline is June 1st, 2019 for action to be taken by the Board. Duff Engineers has requested a list of leaks and the oldest lines through the system. They discussed the advantages of overhead tank storage as opposed to ground storage. Would help with constant pressure and it will not need a pump and would be easier to the lines. The property to put the tank will need to be purchased. There are two properties that are a possibility LTG will need to speak to the owners.

Motion:

LTG WSC to contract with City of Waco (Project) for 100% of water to mitigate the Arsenic issues in LTG water, to meet EPA standards. Project to use the construction plans with exceptions to the tanks specifications from Duff engineering dated 2017 with updates on pricing. With the option to blend water if needed.

LTG to inform EPA, Duff Engineers, TCEQ and USDA RD as to the selection of the Waco Water Solution of mitigation of Arsenic issue, before 17 May 2019.

John Simcik makes the motion on Arsenic solution. Cheri Beuerlein seconded the motion.

Cheri Beuerlein - In Favor / John Simcik - In Favor / Dennis Debbendener - In Favor / David White In Favor - / Danny Randolph - In Favor: The motion carried.

Motion:

Waco Water Project;

Exceptions to the tanks specification Duff engineering dated 2017, is One (1) tank to be overhead (elevated) storage at Plant 5 to the reduce pulse pressure from boosters on LTG system Lines, storage Volume and Height to be determined by Duff Eng. And Eliminating one ground storage Tank.

John Simcik makes the motion. Dennis Debbendener seconded the motion. The motion carried.

Motion:

Project to include Electronic Drive by Metering to be included in Waco water project for placement in/on High-risk water mains and sub mains, and possible member meters.

John Simcik makes the motion. Cheri Beuerlein seconded the motion. The motion carried.

FINANCIAL MATTERS – The Board reviewed and discussed the Directors Report. The Account Balance Sheet, and the Profit and Loss Statement, also discussed the Money Market account that had an increase. John Simcik talked about 2 Share Certificate's 47 & 48 will be mature on 07/15/19 he will be going in to make sure we get the 1.85% rate change. The approximate aggregate maturities of long-term debt for accounts 9106 @ \$4,519.00 will be ending 2023 debt for 9108 @ \$1,457.00 will be ending 2041.

MANAGER'S REPORT- There were 49 late notices mailed out in April with an outstanding balance of \$6,898.43. We had 59 Credit Card payments in April. The office is still working on the Drought Contingency Plan. The office did find and purchase 2 new office chairs. Still looking for a conference table. The office is working on the changes made to the Tariff from the last meeting. John Simcik loaned the office a monitor to see if it would help with the office work load. It is helping to get more done through out the day.

NEW CONNECTIONS & TRANSFERS -Transfers: There were none. New Memberships: There were none.

OPERATIONS REPORT - Not much to report on leaks. Jamie and Brent have been taking care of paperwork, and checking on everything they also put in a few taps. I know of power outage at Bode 2 or 3 times. Whiskey Hollow only 1 time. Hensel had to do a lot of work. Cooling tower at Bode not sure if the problem is fixed yet. Transfer switch had to be changed by Cummings.

FHLM REPORT- Danny Randolph reported that the meeting was short. They discussed the BRA going over the same things Duff discussed with the Board. They also talked about Waco Water contract and that a couple of things have changed on it.

REPORT ON WACO WATER- Dennis Debbendener scheduled to have Charles Leist with the City of Waco Water Utility Services come in before the meeting to do a Presentation. Charles Leist had a slide show and left an informational pamphlet.

CONSIDERATION OF NEW BUSINESS -

A. DISCUSS GETTING WATER QUALIFIED LAW FIRM -

Contacting a Law Firm near Leroy and get a letter regarding possibly retaining their services. Don Ramsey said he would find out if Jacob Straub can come to the next meeting.

B. DISCUSS COBANK- PROJECT INTERIM FINANCING -Terri Chenoweth has recommended looking into CoBank she has worked with them many times. John Simcik went over the interim loan. Cheri Beuerlein made a motion to except going with CoBank. Dennis Debbendener seconded the motion. The motion carried. We will be contacting CoBank to start the process of working

with them on a loan.

CONSIDERATION OF OLD BUSINESS – There was no old business.

HEARING OF MEMBERS’/VISITORS’ CONCERNS - Jay Jones has an interest in the wire, asked the board to consider giving him the wire at \$1 per ft. The board had approved it at \$1.50 per ft. taking all the wire. Jay Jones has decided he may not need all the wire so he is going to rethink his request.

Roy Davis asked if he could get more information on the filtration. Do we have to put it on the whole system or just a well. He also asked about the Waco Water and tying on to the Elm Mott line. Would we have to sign the contract with Waco if we did that?

BOARD MEMBERS’ CONCERNS – Don Ramsey asked Barry Hand if the fencing and gate around the interconnect belonged to LTG. The fencing and gate are LTG's property although they are not in good condition and should be removed. The land owner is clearing the area to make improvements and will most likely use or dispose of the old fencing and gate. This will not affect the interconnect. If we need to enclose the area we can at a later date.

John Simcik brings up the unfortunate resignation of Matt Gerath.

John Simcik makes a motion to except Joe Summers application for the open Directors position. Cheri Beuerlein seconded the motion. The motion carried.

Don Ramsey brought an application for Carol Baker in. The board voted to not except her application due to her having been elected in 2018 and then resigning from the board in the meeting held after the annual meeting.

John Simcik asked if Plant 2 was sprayed for weeds. Joe Summers and Dennis Debbendener said yes it was sprayed. Barry Hand lets the board know we need to run a new line from the pump house to the pressure tank. They fixed the pressure tank but the line is bad.

ANY ITEMS THAT MAY PROPERLY COME BEFORE THE MEETING - There were none.

ADJOURNMENT TIME: 8:59

Danny Randolph made a motion to adjourn the meeting. Cheri Beuerlein seconded the motion. The motion carried.

We the signed below accept the minutes as printed.

Don Ramsey, President

John Simcik, Secretary/Treasurer

Danny Randolph, Vice President

Dennis Debbendener, Director

Cheri Beuerlein, Director

Gerald Barak, Director

Jonathon Davis, Director

David White, Director

Joe Summers, Director