

Leroy Tours Gerald Water Supply Corporation Monthly Board of Directors Meeting

March 9th, 2023 @ 7:00 pm

1. Determination of Quorum, Call to Order

Meeting called to order at 7:00 p.m. Present: Robert Polansky, Dennis Debbendener, John Simcik, Cole Canady, Lyn Middleton, Don Ramsey, David White. Carol Baker & Stephen Symank were absent. Also present: Mr. Hand, Mr. Davis, Mrs. Delgado and Mr. Milles

2. Hearing Members/ Visitors concerns

3 minutes per person - N/A

3. Review, Discuss/ Take actions on minutes from January 12th, 2023 Board of Directors meeting

John Simcik moved to accept the meeting minutes as written. Dennis Debbendener seconded the motion. All in favor. Motion passed.

4. Review, Discuss/Take Action on Member informational letter to mail out

Robert Polansky read a letter to the board. This letter is to give an update to the membership on the status of the EPA, USDA-RD loan, the ARPA funding and the project ahead. The board discussed the letter. John Simcik moved to send the letter to the membership. Dennis Debbendener seconded the motion. Majority in favor. Mr. Ramsey voted No. Motion passed.

5. Review, Discuss/Take Action on revisions on any item regarding monthly reports

(a.) Robert Polansky gave the Director Report. Pure Water was connected during this reading period because of the loss of power and only having one Well in operation.

(b.) Financial Reports- Mr. Simcik went over the P&L & account balance sheet.

(c.) Office Manager Reports- In January, there were 55 late notices with an outstanding balance of \$ 13,995.82. Worked on requests from the USDA-RD loan department. Worked with the CPA on End of Year 2022 filings. Filed TCEQ Regulatory & Assessment Fees, TRWA Eminent Domain and Member Fees. Worked on materials needed for the annual meeting. On January 24th, 2023, Mr. Simcik signed the USDA-RD letter of Intent to meet conditions. I emailed this out to the EPA and McLennan County (ARPA). Worked on a mail out notice required by the Texas PUC for extreme weather events. They gave all water suppliers until January 31st, to mail this notice to its customers. Added to this mail out was a notice of the upcoming rate changes. In February, there were 41 late notices with an outstanding balance of \$ 7,438.49. Gave CPA all files from 2022 for the yearly audit. Worked on the TCEQ Tier II submitted February 22nd, 2023 and the TWDB Water Use Survey February 24th, 2023. These were due March 1st, 2023. Worked with the Insurance agency to complete the questionnaire on coverage needed for 2023. The Insurance payments will be made quarterly. I made Texas Mutual payment for the year. LTG received the (CAFO) Consent Agreement and Final Order from the EPA on February 6th, 2023. This was signed and emailed to all parties requesting notice and then sent certified mail to a specified department. On February 22nd, 2023, the EPA signed and filed the agreement. The EPA requested we hold off sending the payment until they had filed the CAFO. I emailed the EPA on March 3rd to check the status of the CAFO and send the payment. I was informed by the EPA it had been completed and payment could be sent. Tekell & Tekell had not informed LTG the EPA completed this filing. I mailed the payment by certified mail on March 6th, 2023. ARPA (American Rescue Plan Act) funding was completed through the County on December 20th, 2022. I worked with McLennan County to insure the new account for the ARPA funds would meet all of their requirements. This included filing an HB 1295 form with the Texas Ethics Commission. On February 28th, 2023 LTG Water received the ARPA Funds. We were waiting for the bank to have the accounts set up as of March 9th; I deposited the funds.

(d.) Field Manager Report- In January, Completed Work Orders total of 98 between January–March. Water loss was 20.7 - High water loss on main lines: 3" line on east hilltop, 2" line on Richter. In February, water loss was 14.7 - High water loss on main lines: 2" on Bobby Moore, 3" Leroy Pkwy past plant #2. I check ongoing leaks almost daily until they are repaired. We have scheduled a lot of meter replacements for meters that need more work done;

these are meters that must be replaced before the Drive By meters can be installed; those companies do not do any repair work. Mr. Canady asked, "on the meter change outs, are you going oldest to newest on replacements, also will the valve boxes be replaced?" Mr. Davis replied, "Because they will change all meters to Drive By. We are changing out just the oldest ones, ones with high usage and the ones that are not working. Not sure about valve boxes getting replaced yet."

(1.) Voter List- Waiting to hear from the Attorney General's office, reviewing the Tariff & Bylaws on what is legal to share with the public. No other water company posts this list online. Mrs. Smiley requested a list of who voted during the election to be made available on the website.

(e.) Operational Report- Hand Plumbing fixed a few bigger leaks this month. The crews have been very sick the past month. All of us, with operator licenses, have been attending classes. Tomorrow, we are scheduled to work on a leak that is here at 308. The plants have had a few power outages, so we have had to switch from one plant to the other. Alliance Electrical has been working on the unbalanced power causing these issues. Mr. Simcik asked if the generator was working? Mr. Hand said, yes. Mr. Hand discussed that the insurance on the generator coverage was increased because of how much it would cost to replace it. Mr. Polansky asked about when the water shut off, will you be notifying them? Mr. Hand let the board know how they prep for fixing a leak. Also, when we have to change between the Wells, sometimes this change in the route the water flows will cause dirty looking water. This does not mean there is dirt in your water. Even though we do adequate flushing of the lines, even done correctly, it stirs up the water and you can still experience this dirty water. This dirty water is iron deposits.

6. Review, Discuss/Take Action on Engineering

Engineers Update- Robert Polansky informed the board we received the KSA contract, reviewed by the attorney approving this as it is a standard USDA contract and that it is ready for signatures. Also, first thing after the USDA accepts the contract, KSA will start with a drone survey over the area where the transmission line will be.

7. Review, Discuss/Take Action on appointing credentials committee

John Simcik would be chairperson & Cheri Beuerlein, Mr. Simcik, will look for one more person to be on the committee.

John Simcik moved that all committees will meet in the office during business hours. Lyn Middleton seconded the motion. Majority in favor. Mr. Ramsey votes No. Motion passed.

8. Review, Discuss/Take action to form a committee to update the director's information packet

Don Ramsey will be the chairperson of this committee, Cole Canady and Roy Davis will also be on the committee.

9. Review, Discuss/Take action on appointing committee to define employee policy

- a. Employee handbook- Will go over TRWA materials to make a handbook specific to the needs of LTG.
- b. Employee evaluations/compensation- Dennis Debbendener will be the chairperson. David White and Cheri Beuerlein will also be on the committee.

10. Review, Discuss/Take action on employee wage adjustments

Board discussed options. David White moved to give a 2% to all employees with the start date to retro back to January. Have the committee do evaluations for merit raises. Cole Canady seconded the motion. Majority in favor. Mr. Ramsey voted No. Motion passes.

11. Review, Discuss/Take Action on dispute of vault removal agreement

Homeowner disputed charges. Mr. Hand explained unexpected costs resulted in higher costs to remove the vault. Board discussed the quote and final costs. Quote was \$2,000, the final cost was \$ 5,759.44. LTG will pay \$532.92 on materials needed in the vault. Mr. Hand took off \$ 1,000 in labor for the backhoe. Leaving balance to split at \$ 4,226.52. Cole Canady moved to approve the amount of \$2,113.26 as the homeowner cost. They must pay this balance off before the homeowner can receive a meter. Dennis Debbendener seconded the motion. Majority in favor. Lyn Middleton abstained from this vote. Motion passes.

12. Review, Discuss/Take Action on charges from attorney

Robert Polansky Discussed with the Board that Tekell & Tekell charged LTG for an email Ms. Baker sent her. Ms. Tekell, without officially being requested to address this email by officers of the Board, she billed LTG for her response. In April 2021, the Board made a motion that only the President and Secretary Treasurer can contact the attorney. In January 2022, we sent a letter to the attorney stating, all officers from this time forward will be the only directors to obtain your services for LTG Water Supply. The officers information was given. John Simcik moved that LTG not pay Ms. Tekell for work that was not requested. David White seconded the motion. All in favor. A letter will go to Ms. Tekell with an explanation.

13. Review/Discuss/Take Action on changing day of week for Directors monthly meeting

The board took a vote: Mr. Simcik–Thursday, Mr. Debbendener–Thursday, Mr. Canady - Thursday, Mr. Ramsey– Any day, Mr. Middleton–Thursday, Mr. White – Any day, Mr. Polansky–Thursday. The Board of Directors meetings will stay on Thursday.

14. Review, Discuss budget committee update

John Simcik informed the Board the committee had a meeting and went over all the budget items. The budget that was submitted to the USDA was expected and should stay how it is.

15. Review, Discuss/Take Action on any items listed under Old Business

(a.) USDA-RD Loan update–John Simcik went over some of the loan details with the board. Terms of loan, total amount, monthly installments, Reserve Fund, Short-lived asset accounts LTG will be required to add money too. In January, loan 6 was paid in full. The amount LTG was paying for loan 6 will go to the Loan 8 payment, continuing the amount LTG was already paying. This extra will help pay down the current loan. Once the new loan starts, this extra payment will stop. The money will then go to short-term assets.

(b.) EPA Update on the Order given September 16, 2021–This order has been completed. The EPA will be keeping up with LTG’S forward progress through the quarterly reports from the engineer.

John Simcik informed the Board he had reached out about grant writers. Also, any new grants will need to be specifically for the system improvements only.

(c.) PUC update on the Waco ETJ agreement–The attorney informed the Board that they have changed the agreement. The City of Waco will approve the agreement in a meeting held March 21st. They reduced the payment to \$2,500 from \$ 5,000. After approval, both parties will need to sign and payment will need to be made. Once completed, the agreement will be sent to the PUC for review.

(d.) ARPA funds update–Received the funding, started a new account for the funds, deposited funds.

16. Closed Session

N/A

17. Action on topics discussed in closed session

N/A

18. Adjournment

John Simcik moved to adjourn the meeting. Cole Canady seconded the motion. All in favor, the motion passed. Meeting adjourned at 8.34 pm.