

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
August 13, 2024

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President	Larry Hobbs
Vice-President	Zandy Goode
Secretary	Bert Hernandez
Director	Darrell Bledsoe
Director	David Morrison
Director	Gerald Theut
Director	Kyle Grigsby

ITEM 1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM

The meeting was called to order at 3:30 p.m. by President Larry Hobbs with all the Board present.

ITEM 2. RECOGNITION OF VISITORS

There were no visitors.

ITEM 3. PUBLIC COMMENTS

There were no comments.

ITEM 4. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING

David Morrison made a motion to approve the minutes from the previous meetings. Gerald Theut seconded the motion. On vote, it passed unanimously.

ITEM 5. BLUEBONNET WATER SUPPLY REPORT

David Morrison reported that Bluebonnet was going to let out bids for the construction of the new waterline to SVWSC this next week. He also reported that Bluebonnet had allocated money to pay for the easements and that it would cost Bluebonnet approximately \$70,000 to get them. He reported that a pump was going to have to be repaired or replaced since it had not been used for more than 2 years due to the low water level at Lake Belton. Bluebonnet was unable to give us an estimate of a timeline for completion of the line to us. Larry Hobbs made a motion to approve the Bluebonnet report. The motion was seconded by Darrell Bledsoe and on vote, it passed unanimously.

ITEM 6. DISCUSS AND POSSIBLE ACTION: GAY HORN METER RELOCATION REQUEST

Zandy Goode made the motion to move this item to after Item 16. Larry Hobbs seconded the motion, and on vote the motion passed.

ITEM 7. REVIEW AND POSSIBLE ACTION ON METER REQUESTS AND STATUS ON PRIORITY LIST FOR NEW METERS

There were no meter requests in the past month.

ITEM .8 DISCUSS AND POSSIBLE ACTION: EXTENDING GRANDFATHERING OF METER FEES FOR CURRENT MEMBERS

The August 31, 2023 deadline for current members to get new meters at the old meter installation rate had expired with no meter requests being submitted. The deadline was set in the expectations at the time of when additional water would be available from Bluebonnet to meet demand. Since there have been no meter requests made, it was determined by the Board to let the old deadline stand and no action would be taken to extend the grandfathering of meter installation rates.

ITEM 9. ENGINEERING REPORT – UPDATE ON PROJECTS

Johnny Tabor was not present at this meeting . Mark Kocian reported the City of Waco had approved the plat plans for Lakeridge Estates on July 29, 2024 and that the bid opening for the work was going to be on August 20, 2024. A discussion was held concerning hiring Clark Associates to act as an inspector on the work done at Lakeridge Estates. This was determined to be necessary to ensure a smooth transition from Tabor Engineering to Clark. A discussion was held on the Pre-construction meeting and it was decided the Clark Associates should have a representative at the meeting. A cost figure for inspection services could not be given until several items are completed including the construction schedule. This was determined to be reasonable by the Board, A discussion was held concerning the leveling and fencing off the additional property we hold at the Tate Plant and it was determined that once a few more good months of income occur, we should proceed with that work. A work order was presented to the Board by Monty Clark and after a short discussion, Larry Hobbs made a motion to accept the contract for \$2700. This was seconded by Zandy Goode and on vote it passed.

ITEM 10. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER

Frank Alexander presented the financial report. Net income for July 2024 was \$ 63,034 vs. \$80,120 for July 23 which was a drought month. Year to date through July 2024 net income was \$155, 232 vs. \$317,274 in July 2023 which was a direct result of high water usage in last year's drought. The reserve for system expansion sits at \$320,992. Larry Hobbs made a motion to accept the financial report and it was seconded by Bert Hernandez. On vote, the motion passed.

Frank Alexander brought to the Board notice that our electric contract with Summer Energy expired on July 14, 2024. This brought our electric bill up to market rates which for the amount due on August 21, 2024 was \$\$9,033 vs. July's \$2,669. He had been in discussions with Summer whose position was that it was up to SVWSC to pay attention to the expiration date. No notice was sent by Summer that the contract was expiring. He brought up to Summer that according to the contract, they were supposed to

give us 30 days notice of expiration of the contract. He has not heard back from Summer since. He has researched two other providers, one of which has a lower rate than Summer. Because of the need to expedite this matter, Kyle Grigsby made a motion to authorize Larry Hobbs to negotiate and sign a new contract with which provider Larry Hobbs thought to be best for SVWSC. Zandy Goode seconded the motion and on vote, the motion passed. Larry Hobbs is to report to the board at the next meeting of his decision.

ITEM 11. DISCUSSION AND POSSIBLE ACTION: RENEWAL OF COBANK LINE OF CREDIT

John DeLuca from Cobank advised it was time to renew the line of credit we had set up when we first financed the plant improvements. We did not use it and subsequent operations indicated that we had sufficient in reserve to handle contingencies. Since the fee for maintaining it has gone up to \$1,000 from \$500 a year as a renewal fee, it was decided not to renew the line of credit. Bert Hernandez is to advise John DeLuca of the Board's decision. Gerald Theut made the motion not to renew the line and the motion was seconded by Larry Hobbs. On vote the motion passed.

ITEM 12. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS FOR AUGUST 2024

The motion was made by Larry Hobbs and was seconded by Gerald Theut to authorize payment of bills for August 2024. All present were in favor and the motion passed.

ITEM 12. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING GENERAL OPERATIONAL ISSUES

There were no questions to the Board by Aqua representatives.

ITEM 13. WATER SYSTEM OPERATIONS REPORT BY REPRESENTATIVE OF AQUA TEXAS (NO ACTION TO BE TAKEN BY THE BOARD) INCLUDING THE FOLLOWING: (A) OPERATIONS REPORT; (B) WATER USAGE AND ACCOUNTABILITY; (C) FACILITIES, EQUIPMENT, AND REPAIRS; AND, (D) FINANCIAL REPORT

Mark Kocian presented the Operations Report. Larry Hobbs made the motion to accept the water operations report. It was seconded by Gerald Theut. On vote, the motion passed.

ITEM 15. ADJOURN INTO EXECUTIVE SESSION IF NEEDED AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074

Larry Hobbs called for an Executive Session at 4:08 pm to discuss potential pending litigation.

ITEM 16. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION

The Board reconvened from Executive Session at 4:25 pm.

ITEM 6. DISCUSS AND POSSIBLE ACTION: GAY HORN METER RELOCATION REQUEST

The Board agreed to reposition the meter contingent on Ms. Horn's obtaining the easements to run the waterline to the proposed new meter location.

ITEM 17. SET TIME AND PLACE FOR THE NEXT REGULAR MEETING OF THE BOARD

The next meeting of the Board will be on Tuesday, September 10, 2024 at 3:30 p.m. at the Aqua Office at 7025 Sanger Avenue, Waco, TX 76710.

ITEM 18. ADJOURN

A motion to adjourn was made by Darrell Bledsoe and was seconded by Larry Hobbs . All were in favor and none opposed. The motion carried and the meeting was adjourned.

Submitted by: Humberto Hernandez September 4, 2024
Humberto Hernandez
Secretary, SVWSC