

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
November 14, 2024

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President	Larry Hobbs
Vice-President	Zandy Goode
Secretary	Bert Hernandez
Director	Darrell Bledsoe
Director	David Morrison -- absent
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 Vice President Zandy Goode with a quorum present. President Larry Hobbs was detained and did not arrive before the meeting started.

ITEM 2. RECOGNITION OF VISITORS

Mr. and Mrs. Jones were present as visitors.

ITEM 3. PUBLIC COMMENTS

There were no public comments.

ITEM 4. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING

Darrell Bledsoe made a motion to approve the minutes from the previous meetings. Kyle Grigsby seconded the motion. On vote, the motion passed.

ITEM 6. BLUEBONNET WATER SUPPLY REPORT

David Morrison was not present at this meeting but he contacted Darrell Bledsoe to update him on Bluebonnet matters. The Legislature is working on a bill to source water from East Texas for Central Texas. Bluebonnet has been asked if they want to participate in the project and it is being considered. David and Bonnie Capshaw, who were present at last month's SVWSC meeting did not attend the Bluebonnet meeting. Darrell Bledsoe reports that they have legal representation at this time in their dispute with Bluebonnet. We received notice from Bluebonnet that we had a new minimum and maximum for water provided by them. The new minimum is 7,232,000 gallons and the new maximum is 21,124,000 gallons. The new minimum payment starting October 1, 2024 is \$ 25,312.00 per month. The rate of \$3.50/1,000 gallons is unchanged. President Larry Hobbs came into the meeting before all discussions on Bluebonnet was finished. At that point, he presided over the meeting. He asked the Board for authorization to write a letter to Bluebonnet outlining the issues that SVWSC was encountering with the delays in getting the additional water from Bluebonnet, particularly the delays in being able to grant new meter requests. The letter will ask for a response from Bluebonnet to justify

SVWSC's inability to provide more water to customers so that the letter will show that SVWSC is not arbitrarily denying requests for more water/meters and that instead, we are relying on their timeline for more water. The Board agreed to President Hobbs writing the letter.

Gerald Theut made a motion to accept the Bluebonnet Report. It was seconded by Bert Hernandez, 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 formal meter requests in the past month.

ITEM 8. ENGINEERING REPORT – UPDATE ON PROJECTS

Johnny Tabor reported that today he received the check for the balance of the developer's fees due from Lakeridge Estates. The bids for the project remained open until today, so with the approval of the Board, a motion was made by Larry Hobbs to accept the bids and it was seconded by Zandy Goode. On vote the motion passed. Bert Hernandez made a motion was made to authorize Larry Hobbs to sign the bid paperwork for SVWSC. The motion was seconded by Gerald Theut, and on vote, the motion passed.

ITEM 10. DISCUSS AND POSSIBLE ACTION: FACILITY SITE REVIEW

Larry Hobbs asked that volunteers would go to the Bethany plant to look over it and determine what work would be needed to clean up the site. Also at that time, a visit to the Tate plant was warranted since ground work was being done on the development next to it and it would be beneficial to get that work done while equipment was on site. After asking who would volunteer to form a committee to do the site reviews, it was determined that an email would be sent to all members to advise them of what was a good date to select members to go to the site and look them over to determine what needed to be done to them to improve them.

ITEM 9. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER

Frank Alexander presented the financial report. There were no unusual balance items this October. The balance due on developer fees was covered by a check that was presented on this date. One expense was unusual—it was \$13,020 paid for copper and lead testing that was required by TCEQ. Overall, the system has generated \$ 253,548 in net income for the year which is less that 2023 due to a decrease in construction fees, the TCEQ testing, a reduction in patronage fees, and lower water sales due to non-drought conditions which existed last year. Larry Hobbs made a motion to accept the financial report. The motions was seconded by Zandy Goode and on vote, the motion passed.

ITEM 5. DISCUSS AND POSSIBLE ACTIONS: STACY HOBBS WATER LEAKS

Kyle Grigsby made a motion to move this Item in the agenda behind Item 11. The motion was seconded by Bert Hernandez, an on vote, the motion passed.

After the Financial Review, Larry Hobbs recused himself from the meeting so that Item 5 could be acted and action taken if needed. Stacy Hobbs joined the meeting by phone and Zandy Goode, Vice President, presided over this Item for the meeting.

The issues to be decided on were a water bill for over \$1,000, the work to be done on the SVWSC side of the meter, and the work to be done on the customer's side of the meter. Two bids were obtained from Breton Backhoe one for the SVWSC side and one for the customer side. Stacy Hobbs did not have these in front of her so Zandy Goode read each one to her. The first item was her request for a water rate reduction to the lowest rate for the bill. Investigation revealed that the bill was an accumulation of three month's bills that payment had not been received for. The Stacy Hobbs stated that the bills were to be paid by autopay but she had not looked at the emails or bank statements to verify that the bills had or had not been paid. Based on the information from the examination of the receipts, the reduction in rate was not acted on.

The estimate for work on the SVWSC side of the meter was discussed. The estimate was for \$1,600 for labor and materials. Bert Hernandez made a motion to accept the bid to install a check valve and air relief valve on our side of the meter. Gerald Theut seconded the motion and on vote, it passed.

The next item to be discussed was the \$2,200 bid to improve the system on the customer's side of the meter. This involved the installation of a pressure relief valve and an air relief valve on that side of the meter. After discussion, it was determined that the best way to fix the problem was to address the issues on both sides of the meters since just fixing the issue on the SWSC side would not prevent the problem from eventually reoccurring if work was performed on the meter. After discussion and with input from Johnny Tabor, Gerald Theut made the motion to accept Britton's bid on the improvements on the Hobbs' side of the meter and that SVWSC would pay for the work. This motion was then amended by Bert Hernandez to state that the pressure relief valve and air relief valve to be installed on the Hobbs' side of the meter were to be the Hobbs' responsibility. Kyle Grigsby seconded the amended motion and on vote, the motion passed.

After the vote on the motion, Larry Hobbs returned to the meeting and resumed conducting the meeting,

ITEM 11. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS FOR NOVEMBER 2024

The motion was made by Larry Hobbs and was seconded by Kyle Grigsby to authorize payment of bills for November 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. Bert Hernandez made the motion to accept the water operations report. It was seconded by Gerald Theut. On vote, the motion passed.

ITEM 14. ADJOURN INTO EXECUTIVE SESSION IF NEEDED AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074

There was no Executive Session held.

ITEM 15. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION

There was no need to reconvene since no Executive Session was conducted.

ITEM 16. SET TIME AND PLACE FOR THE NEXT REGULAR MEETING OF THE BOARD

The next meeting of the Board will be on Tuesday, December 3, 2024 at 6:00 p.m. at 135 Prime, 1201 Hewitt Drive, Suite 110, Waco. This will be an abbreviated business meeting.

ITEM 17. ADJOURN

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

Submitted by: Humberto Hernandez November 19, 2024
Humberto Hernandez
Secretary, SVWSC