

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
September 10, 2024

Page 1 of 5

President	Larry Hobbs
Vice-President	Zandy Goode -- absent
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 a quorum present.

ITEM 2. RECOGNITION OF VISITORS

Mr. and Mrs. Jones were present as visitors. Stacy Hobbs was also present as a visitor.

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. Darrell Bledsoe seconded the motion. On vote, it passed unanimously.

ITEM 5. DISCUSS AND POSSIBLE ACTION: DR. JUDD'S REQUEST TO MOVE METER FROM COTTON BELT PARKWAY TO COUCH ROAD

After reviewing the request, Gerald Theut made a motion to approve the relocation of the meter at Dr. Judd's cost. The motion was seconded by Kyle Grigsby and on vote, the motion passed.

ITEM 6. DISCUSS AND POSSIBLE ACTIONS: STACY HOBBS WATER LEAKS

Larry Hobbs recused himself from this item and this item was presided by Bert Hernandez, the ranking Board officer present.

Stacy Hobbs addressed the Board to outline the problem she was having with broken water lines at her ranch. She provided the Board with a written explanation of her problem and with a spreadsheet indicating the frequency of the breaks based upon the water bills she received. She requested that the SVWSC place a pressure reducing valve at the top of the hill where she had a cutoff and an air release valve on the SVWSC's side of the meter. She believes the breaks were due to high pressure in the system

and that SVWSC should remedy it. There was a discussion concerning the cost of implementing the request, a discussion of whether the request would actually fix the problem, and an analysis of why the problem was occurring. Johnny Tabor offered to go out to the ranch, inspect the meter, and provide the Board with a recommendation on how to fix the problem. Bert Hernandez made a motion to accept Johnny Tabor's offer and to return to the next Board meeting with a recommendation for a fix and an estimate on how much it would cost to implement the fix. Gerald Theut seconded the motion and on vote, the motion passed. This action was acceptable to Ms. Hobbs and the Board will take action based on Johnny Tabor's findings at the next Board meeting.

ITEM 7. DISCUSS AND POSSIBLE ACTION: TERRI ROHRER LATE PAYMENT COMPLAINT

The Board received a letter from Terri Hohrer concerning a late payment fee she was charged. After reviewing the letter and the applicable section of the Tariff, customer payment options were discussed. It's impractical to go by postmark date on bills because not all mail has legible postmarks so her suggestion cannot be carried out consistently. After discussion, it was determined not to take any action to change the Tariff since there were options available to customers to get the bill by email and to pay online to avoid late charges.

ITEM 8. DISCUSS AND POSSIBLE ACTION: GAY HORN METER RELOCATION REQUEST

Mark Kocian reported that an easement had been granted by Ms. Horn's neighbor so all that remained to be done was for her to come by and sign the easement on her property and the relocation of the meter could then proceed. No further action was needed at this time.

ITEM 9. BLUEBONNET WATER SUPPLY REPORT

David Morrison reported that the project to put in the larger water line to SVWSC still had not gone out to bid. Not all of the easements needed had been granted to Bluebonnet, but he reported that Bluebonnet had reassured him that there was sufficient time to obtain the last of the needed easements once construction starts. No estimate of the timeline for the project's completion was given by Bluebonnet and David Morrison stated that he had repeatedly tried to get one. A motion was made by David Morrison to request a letter from Bluebonnet to SVWSC to provide an estimate of the timeline for completing the project so that SVWSC could have something in writing to refer customers to when they made meter requests. Darrell Bledsoe seconded the motion, and on vote, the motion passed.

ITEM 10. DISCUSS THE LOCATION OF THE NEW BLUEBONNET INTERCONNECTION LOCATION

Mark Kocian outlined a proposed interconnection to the Judd Plant from Bluebonnet. After discussion it was determined that the proposal was beneficial to SVWSC by having the line protected by having it underground to the plant and therefore protected from traffic accidents such as happened last winter. Kyle Grigsby made a motion to accept the recommendation on the new location. Gerald Theut seconded the motion, and on vote, it passed.

ITEM 11. 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 though inquiries are being made concerning when we'll be approving new meter requests.

ITEM 12. ENGINEERING REPORT – UPDATE ON PROJECTS

Johnny Tabor presented the Engineering Report. The bids on the Lakeridge Estates project were opened on August 20, 2024. Copies of all the bid packages were sent to the President of the SVWSC and Aqua. The winning bidder was B-Corp Utilities out of Gatesville, TX with a bid of \$703,358.55. Johnny Tabor reported he had worked with B-Corp Utilities before and was familiar with them. The Developer Cost Breakdown was provided to the Board and he reported that he had not yet heard back from Ken Cooper though he had heard from his engineer, Tom Tomchesson, who asked to initiate phased construction instead of doing it all at once. None of the bids were premised on phased construction. Johnny Tabor reported he had not heard back whether Ken Cooper had paid the SVWSC and whether to issue a notice of award on the bid. The winning bid expires September 19, 2024. Larry Hobbs offered to contact Ken Cooper and review his options with hi. Larry Hobbs made a motion to accept the Engineering Report. Darrell Bledsoe seconded the motion, and on vote, it passed.

ITEM 13. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER

Frank Alexander presented the financial report. He reported no unusual balance sheet activity and that we had \$351,000 in cash available for contingencies. Net income from July 2024 to August 2024 dropped by about \$30,000 to \$30,443. That was due to a drop in water revenues of \$15,000 and an increase in water system repairs of \$15,000. The year-to-date difference between 2024 and 2023 is due to a decrease in water revenues and the developer contributions that were recognized as income in 2023. Last month the Board authorized Larry Hobbs to enter into an agreement with a new electricity provider since our contract with Summer Elnergy had expired. TXU will be our new provider. In the meantime, Summer Electric has billed the SVWSC for electricity at the non-contracted rate and this bill continues to be in dispute because SVWSC does not believe Summer Energy lived up to its contract on notification when the contract expired. Our attorney has written Summer Energy a letter concerning this but no response from Summer was available at meeting time. The bill from Summer Energy currently stands at \$20,000. Gerald Theut made the motion to accept the financial report. The motion was seconded by Bert Hernandez, and on vote, the motion passed.

ITEM 14. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS FOR SEPTEMBER 2024

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

ITEM 15. DISCUSS AND POSSIBLE ACTION: SVWSC CHRISTMAS PARTY

The preferred date for the Christmas Party was December 10, 2024 but if that date could not be accommodated by the restaurant selected, then the alternative date would be December 3, 2024. The time will remain 6:00 pm. The first choice restaurant to contact is The Butcher's Cellar and the second is 135. Terri Whitley will report to the Board at the next meeting concerning which date and restaurant will be able to accommodate the group with a meeting room and an open menu.

ITEM 16. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING GENERAL OPERATIONAL ISSUES

There were no questions to the Board by Aqua representatives.

ITEM 17. 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 18 ADJOURN INTO EXECUTIVE SESSION IF NEEDED AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074

There was no Executive Session held.

ITEM 19. 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 20. SET TIME AND PLACE FOR THE NEXT REGULAR MEETING OF THE BOARD

The next meeting of the Board will be on Tuesday, October 8, 2024 at 3:30 p.m. at the Aqua Office at 7025 Sanger Avenue, Waco, TX 76710.

ITEM 21. 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 September 30, 2024
Humberto Hernandez
Secretary, SVWSC