

Spring Valley Water Supply Corp.  
Regular Meeting of the Board of Directors  
July 9, 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. DISCUSS AND POSSIBLE ACTION: GAY HORN METER RELOCATION REQUEST**

The relocation request that was asked for last month had been sent to our attorney for an opinion. On this date, Mark Kocian did state it had been reviewed and in our attorney's opinion, SVWSC was not liable for the expense of relocating the meter. Gerald Theut was appointed to respond to Ms. Horn advising of the Board's decision. On further discussion, Larry Hobbs made a motion to authorize Terri Whitley to reduce the Horn's bill to the lowest rate for the period of time she had the leak and that Gerald Theut would include the rate reduction offer in the email sent to Ms. Horn. Zandy Goode seconded the motion and on vote, the motion passed.

**ITEM 5. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING**

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

**ITEM 6. BLUEBONNET WATER SUPPLY REPORT**

David Morrison spoke to Bluebonnet by phone and was informed that Bluebonnet had agreements with landowners to secure the needed easements for the waterline and that at this time Bluebonnet was in the process of working out the details on the needed easement including payments to landowners. David Morrison was asked to try to get an estimated completion date for the waterline at the next

meeting. Larry Hobbs made a motion to accept the Bluebonnet report. Bert Hernandez seconded it and on vote, the motion passed.

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

Bert Hernandez had been asked by Larry Hobbs to review previous Board decisions on meters and the new rates for meters. He informed the Board that by previous Board action, existing customers had to make meter requests by August 31, 2023 in order to be grandfathered in at the old rates. There were no limitations on the number of meters that customers could request in order to be grandfathered. After discussion, it was suggested that further consideration be given to extending the grandfathering period because of the delays in the Bluebonnet water line construction. It was decided that this item could be brought up next month after more information on the estimated timeline for the Bluebonnet waterline completion was obtained.

**ITEM 8. ENGINEERING REPORT – UPDATE ON PROJECTS**

There was no Engineering Report for this meeting. Instead a discussion was held to update Board members on the progress on the Lakeridge Estates project. At this time there has been no progress on resolving the issues between the City of Waco and Tabor Engineering. The City of Waco has requested information from Tabor Engineering and Tabor has responded that it has been sent to the Waco so Waco has not made any move to approve the needed items. Larry Hobbs pointed out that resolving this may mean that the SVWSC may have financial responsibilities in order to move the project forward. The nature of the costs are unknown at this time but he wanted to inform the Board of the contingent liability that may occur. It was determined that a meeting of SVWSC, Ken Cooper, Johnny Tabor, the City of Waco, and Mark Kocian needed to be set up to work out the issues holding up the project. Mark Kocian was tasked with setting up the meeting to be held in accordance with all participants' schedules.

**ITEM 9. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER**

Frank Alexander reviewed the Balance Sheet and Income Statement with the Board. On the Balance Sheet an unusual item was identified as a negative \$63,111 in the General Checking account but it was pointed out that this was to be covered by the \$640,047 available in the Checking Index fund. All that needed to be done is to execute the transfer. On the Income Statement, June 2024 had \$15,814 in net profit compared to June 2023's \$47,710. June of 2023 was unusual in that drought existed in 2023 which resulted in unseasonable water usage and so water sales were up in 2023. June 2024 was normal and so the resulting net income was in line with June on a historical basis. A review of actual vs. budget

indicated that income was estimated a bit high due to 2023's drought but expenses were also down so overall the financial condition of the SVWSC is satisfactory and in line with past performances.

Bert Hernandez made a motion to accept the financial report and to adopt the budget as presented. The motion was seconded by Gerald Theut, and on vote, the motion passed.

**ITEM 10. DISCUSSION AND POSSIBLE ACTION: REVIEW, APPROVE, AND AUTHORIZE SIGNING OF INCOME TAX RETURN**

Frank Alexander presented the SVWSC Income Tax return and reviewed it with the Board. Darrell Bledsoe made the motion to accept the return as presented and to authorize Larry Hobbs as President of the Board to sign it. David Morrison seconded the motion and on vote, the motion passed.

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

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

**ITEM 12. DISCUSS AND POSSIBLE ACTION: CHANGE IN WORDING IN TARIFF TO REFLECT TRANSFER OF MEMBERSHIP FEES**

Larry Hobbs made a motion to change the wording in the Tariff to note that membership fees are transferrable. Gerald Theut seconded the motion and on vote, the motion passed. The wording is as follows:

Membership Fee—A fee qualified as such under the terms of the tariff and the bylaws of the Corporation assigned to the real estate designated to receive service. If the ownership of the real estate designated to receive service is transferred, the membership fee shall be transferable to the new owner of such real estate. If a Member terminates service and irrevocably surrenders the Membership, the membership shall be refundable. The membership fee cannot be more than twelve times the minimum monthly base rate.

**ITEM 13. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING GENERAL OPERATIONAL ISSUES**

Mark Kocian reported that our deductible for the accident of December 2023 involving a vehicle that ran through the water plant will be paid by the insurance company.

**ITEM 14. 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. Zandy Goode made the motion to accept the water operations report. It was seconded by Kyle Grigsby. On vote, the motion passed.

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

There was no need for an Executive Session.

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

There was no Executive Session so there was no need to reconvene.

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

The next meeting of the Board will be on Tuesday, August 13, 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 Larry Hobbs and was seconded by David Morrison. All were in favor and none opposed. The motion carried and the meeting was adjourned.

Submitted by: Humberto Hernandez August 3, 2024  
Humberto Hernandez  
Secretary, SVWSC