

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
January 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 members 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. Kyle Grigsby seconded the motion. On vote, it passed unanimously by Board members present.

ITEM 5. BLUEBONNET WATER SUPPLY REPORT

Jim Lily and Kyle Schultz from Bluebonnet came and gave detailed presentations on the progress on getting the new waterline easements to supply SVWSC. The line had been rerouted from its original shorter run to one that follows where easements were obtained from the land owners. There are a couple of owners who still will not permit easements, so the plans are to approach them again to see if they will voluntarily grant easements, otherwise Bluebonnet may have to use eminent domain to obtain them. Discussions of the eminent domain process indicated that there would be significant delays in getting the access needed and that once all the right-of-ways were obtained, construction of the line would take from 10 to 12 months. In short, if all went well, it would be about 18 months before the water would be flowing to SVWSC from the new line.

ITEM 6. REVIEW AND POSSIBLE ACTION ON METER REQUESTS AND STATUS ON PRIORITY LIST FOR NEW METERS

There were no items to take action on since there were no meter requests submitted.

ITEM 7. DISCUSS AND POSSIBLE ACTION: KEN COOPER PROJECT UPDATE

Johnny Tabor reported that he had been contacted by Ken Cooper on 12-4-2023 to check on whether Tabor Engineering had received the revised plat for the project. Johnny Tabor had not so he contacted Mr. Cooper's engineer the same day and did receive them on 12-18-2023. After reviewing them, Tabor Engineering submitted them to the City of Waco on this date for their review and approval. Three items on Cooper's specifications were pointed out and discussed. One was Cooper was asking for installation of fire hydrants. Historically SVWSC has put stub outs in places where fire hydrants could be installed at a later date. This was so that fire departments would not connect to a hydrant that was not live. The second item was automatic flush valves. SVWSC does not have them in any other development and like most rural water systems, do not want to take on servicing them. The third item was that they wanted to use their meters instead of ours and all other developments in our system use our meters. After discussion, it was determined that if Cooper insisted on these items, then they should accept the responsibility for maintaining them also rather than SVWSC being responsible for them.

ITEM 8. TABOR ENGINEERING – UPDATE ON PROJECTS

Johnny Tabor reported that there were no other projects that were in progress other than the Lakeridge Estates project discussed in Item 7.

ITEM 9. DISCUSS AND POSSIBLE ACTION: UPDATE ON JUDD PLANT DAMAGE

Damaged fence will be replaced on Monday, January 15th, a new clay valve has been ordered and should arrive in a month and will be installed then. The meter from Bluebonnet will be replaced and once it is, Bluebonnet will provide the price on it so it can be turned into Geico for payment. SVWSC will not be out any money on the repairs since all will be covered by the insurance company of the driver who ran through the fence at the Judd Plant.

ITEM 10. READ AND APPROVE: LETTER OF NO OBJECTION FROM GRANDSOLAR OF TEXAS EIGHT

Mark Kocian explained that Grandsolar was going to install a solar facility off Cottonbelt Parkway that was going to cross some of the SVWSC easements. The letter states that Grandsolar would pay for any damage to SVWSC assets that might be incurred during the construction of the facility. This letter had the approval of our attorney,

ITEM 11. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER

Frank Alexander reviewed the financial statements with the Board. Revenues from water payments were \$49,022 and year-to-date they were \$1,029,170. We had budgeted \$950,000. For the month of December net income was \$5,545 while in December 2022 it was \$4,334. The only unusual activity was a negative \$6,133 in Bad Debts Expense which reflects payments of past due bills in December.

A proposed budget for 2024 was presented and discussed. The income was conservatively estimated to be \$1,013,000. Expenses were budgeted for \$753,400 resulting in a budgeted net income of \$260,100 which was about \$34,000 more than was budgeted for last year's net income.

Darrel Bledsoe made a motion to accept the financial report and to adopt the budget as presented. The motion was seconded by Larry Hobbs, and on vote, the motion passed.

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

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

ITEM 13. DISCUSS AND POSSIBLE ACTION: UPCOMING ELECTION

There have been no new applications submitted for the Board Election.

ITEM 14. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING GENERAL OPERATIONAL ISSUES

Terri Whitley reported that the bank account for West Brazos had been compromised but that the bank had caught the attempt to pass the altered check. Security measures were discussed and they started with freezing the West Brazos account and looking at installing a check processing device that would directly deposit checks into their account. The relevance to the Spring Valley WSC operations were discussed and so a motion was made by Larry Hobbs to authorize Frank Alexander and Terri Whitley to jointly explore whether to install or use the device for SVWSC customers. The motion was seconded by Zandy Goode. On vote the motion passed.

ITEM 15. 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 Kyle Grigsby. On vote, the motion passed.

ITEM 16. ADJOURN INTO EXECUTIVE SESSION IF NEEDED AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074

There was no need for an Executive Session.

ITEM 17. 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 18. SET TIME AND PLACE FOR THE NEXT REGULAR MEETING OF THE BOARD

The next meeting of the Board will be on Tuesday, February 13, 2024 at 3:30 p.m. at the Aqua Office at 7025 Sanger Avenue, Waco, TX 76710.

ITEM 19. 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 February 10, 2024
Humberto Hernandez
Secretary, SVWSC