

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
February 9, 2021

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

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

The meeting was called to order at 5:19 p.m. by Vice- President Zandy Goode with a quorum present. President Larry Hobbs was detained and would arrive later during the meeting.

ITEM 2. RECOGNITION OF VISITORS

There were no visitors.

ITEM 3. PUBLIC COMMENTS

There were no public comments since there were no visitors.

ITEM 4. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING

The minutes from the January Board and Work Group meeting were reviewed and a motion was made by David Morrison to approve the minutes from both meetings. Darrell Bledsoe seconded the motion. The vote was taken and all approved the motion.

ITEM 5. REVIEW AND POSSIBLE ACTION ON METER REQUESTS

There were no new meter requests presented to the Board.

ITEM 6. BIDS ON RECOATING GROUND STORAGE TANKS AT JUDD & TATE PLANTS

The bid from Water Tower Maintenance, Inc to recoat and repaint the two tanks at the Tate Plant and the one at the Judd Plant was discussed. After the discussion Darrell Bledsoe made the motion to accept the bid to recoat and repaint the three tanks. The motion was seconded by David Morrison and on vote, the motion passed. The total of the bid was \$74,440.

ITEM 7. NON-STANDARD SERVICE AGREEMENT BETWEEN SVWSC & BTM CONTRACTING

Larry Hobbs arrived at the start of discussion of this item and took over as chair of the meeting.

The proposed non-standard service agreement was discussed and compared to past agreements for development and found consistent with what was done in the past. David Morrison made the motion to accept the agreement and the motion was seconded by Zandy Goode. On vote, the motion passed.

ITEM 8. TABOR ENGINEERING – UPDATE ON PROJECTS

Johnny Tabor presented to the Board the Water System Update & Expansion Report dated 2/8/2021. The report of recommendations for system upgrades and improvements included recaps of items that were to be added, items to be changed, and items to be removed at the Judd and Moses Plants. Along with the recommendations, he provided a budgeting cost of each element of the upgrades. In reviewing the report, he also provided the Board a look at how the system looks now for TCEQ and how the system will look for compliance once the changes and improvements are made .

One element of the report centered on well production. Currently the two wells provide approximately 120 gal./min. but evaluation indicates that with cleaning, inspection, and testing, the wells could produce up to 180 gal/min. each. Work on the wells had been previously approved by the Board so Tabor Engineering was given the go ahead to proceed on this.

Discussion of financing determined that in light of the current financial reserves, contingencies, and economic environment, a loan of \$2,000,000 would be needed to complete the system upgrade.

Larry Hobbs made a motion to accept the Engineer's proposed water system update and expansion report and to appoint Zandy Goode, Bert Hernandez, and Frank Alexander as an ad hoc committee to explore the financing option available to the SVWSC for the system improvements. Darrell Bledsoe seconded it. On vote it passed unanimously.

ITEM 9. DISCUSS AND POSSIBLE ACTION: SET NEXT WORK GROUP MEETING

There was no action on this item as no Work Group meeting will be necessary.

ITEM 10. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER

Frank Alexander reviewed the financial statement for January 2021 with the Board. A motion was made to accept the financial report by Zandy Goode. The motion was seconded by Bert Hernandez. On the vote, the motion passed unanimously.

ITEM 11. REGULAR UPDATE ON BLUEBONNET WATER SUPPLY AND POSSIBLE ACTION

Darrell Bledsoe reported that the Bluebonnet audit had been completed and that the system was in good financial condition. He also reported that he had a copy of the financial report for Bluebonnet available for review. Discussion of the SVWSC's supply from Bluebonnet led to the conclusion that we could not get all that was allotted to us at this time because we could not use it all. Bert Hernandez made the motion to accept the report. Zandy Goode seconded the motion, and on vote, it passed.

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

On review, the motion was made by David Morrison and seconded by Bert Hernandez to authorize payment of bills in February 2021. All were in favor, the motion passed.

ITEM 13. RESOLUTION OF THE BOARD OF DIRECTORS DECLARING THE ELECTION OF UNOPPOSED CANDIDATES

President Larry Hobbs read the resolution of the Board declaring the election of unopposed candidates. The two candidates that were unopposed were David Morrison and Darrell Bledsoe. Larry Hobbs made the motion to accept the resolution and Zandy Goode seconded the motion. On vote, it passed.

ITEM 14. PATSY JUDD SCHOLARSHIPS

Darrell Bledsoe reported that at this time there was \$2,732 in the scholarship fund and that there were four applicants for the scholarships. After discussion a motion was made by Darrell Bledsoe to keep the scholarships at \$1,000 each and to give out three scholarships. Larry Hobbs agreed to make up the difference if there was a shortfall and seconded the motion. On vote, the motion passed.

ITEM 15. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING OPERATIONAL ISSUES

There were no questions to the Board.

ITEM 16. 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 reviewed the Directors' Operations Report with the Board.

Larry Hobbs made the motion to accept the water operations report. It was seconded by Bert Hernandez. On vote, the motion passed.

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

There was no need for an Executive Session.

ITEM 18. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION

There was no Executive Session.

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

The next meeting of the Board will be Tuesday , March 2, 2021 immediately following the Annual Meeting. It will be held at the Aqua office at 7025 Sanger Avenue, Waco, TX 76710.

ITEM 20. ADJOURN

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