

Spring Valley Water Supply Corp.  
Regular Meeting of the Board of Directors  
March 2, 2021

Page 1 of 4

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

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

The meeting was called to order at 7:30 p.m. by Larry Hobbs with a quorum present.

**ITEM 2. RECOGNITION OF VISITORS**

We had one visitor, Kyle Grigsby attended the meeting.

**ITEM 3. PUBLIC COMMENTS**

There were no public comments.

**ITEM 4. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING**

The minutes were reviewed and a motion was made by David Morrison to approve the minutes from the previous Board meeting. Zandy Goode 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.

**ITEM 6. TABOR ENGINEERING – UPDATE ON PROJECTS**

Johnny Tabor reported that the main problems he encountered while working with water systems was TCEQ compliance issues that occur when meter requests are made and the system is out of compliance. He reports about \$245,000 of our system improvements are being made to address short term

compliance issues if a small number of meter requests are made in certain areas and the rest are being made to insure TCEQ compliance when growth causes requests for large numbers of meters such as from subdivisions. The first item to be address is checking out the two wells and he reports that work on them could increase their output from 120 gal./min to up to 180 gal./min. He discussed the hazard to the Judd pump house from traffic not making the curve on Spring Valley Road where the Judd Plant is located and this would be remediated by building the new pump house farther back and facing Max Lane. The improvements at the Moses Plant include another 100,000 gal. ground water tank, two 10,000 gal. pressure tanks, and 1,000 gal per minute pumps since this Plant would have to absorb the most new growth in our area.

A request was made to Johnny Tabor when designing the access to the pump houses was to provide some kind of weather protection to personnel when entering the Plants. Coverings such as awnings or porches and gate access were discussed and Johnny Tabor agreed to give consideration to that in his designs.

A request was made to consider a liner for the building that would prevent the metal buildings from being kicked out.

Johnny Tabor recommended that we take our time in submitting plans to the TCEQ on the improvements so that he could have financing and a budget set for preparing the final plans for submission for approval. He could work on them as we simultaneously worked on obtaining financing. He stated that it normally took about 60 days to obtain approval and that once approved, bids could be let to contractors.

Johnny Tabor reported he was working on a 50 meter request which would be served by the Tate Plant. After discussion it was concluded that investigation needed to be made as to purchasing another ½ acre adjoining to expand the Tate Plant facilities.

#### **ITEM 7. DISCUSS AND POSSIBLE ACTION: OBTAINING FINANCING FOR SYSTEM IMPROVEMENTS**

This item was covered in the Annual Meeting so no discussion or action was taken.

#### **ITEM 8. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER**

Financial statements were not ready as the meeting was too close to the end of February for statements to be prepared.

Our electricity contract is expiring and Frank Alexander provided bid for new contracts from Summer, Reliant, and Engie. After review and discussion, Darrell Bledsoe made a motion to sign a three year contract with Summer. David Morrison seconded the motion. On vote, the motion passed unanimously.

**ITEM 9. REGULAR UPDATE ON BLUEBONNET WATER SUPPLY AND POSSIBLE ACTION**

There was no Bluebonnet meeting due to icy roads.

**ITEM 10. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS**

On review, the motion was made by Larry Hobbs and seconded by Gerald Theut to authorize payment of bills in March 2021. All were in favor, the motion passed.

**ITEM 11. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING OPERATIONAL ISSUES**

Larry Hobbs advised that Lanny Lewis was going to resign from the SVWSC's Board due to health issues. He will be submitting a resignation letter to Terri Whitley this month.

**ITEM 12. 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 David Morrison. On vote, the motion passed.

A request was forthcoming from Spring Valley ranch for a reduction in water rates on the water they used during the freeze. They had left a water hose running for their and their neighbors cattle. Darrell Bledsoe made the motion to bill them at the lowest rates and Zandy Goode seconded. On vote, the motion passed.

**ITEM 13. ADJOURN INTO EXECUTIVE SESSION IF NEEDED AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074**

There was no need for an Executive Session

**ITEM 14. 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 15. SET TIME AND PLACE FOR THE NEXT REGULAR MEETING OF THE BOARD**

The next meeting of the Board will be Tuesday, April 13, 2021 at 5:15 p.m. at the Aqua office at 7025 Sanger, Waco, TX 76710.

**ITEM 16. 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.

Spring Valley Water Supply Corp.  
Regular Meeting of the Board of Directors  
April 13, 2021

Page 1 of 5

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 5:15 p.m. by Zandy Goode with a quorum present. President Larry Hobbs was present by phone but did not chair the meeting or vote on items.

**ITEM 2. RECOGNITION OF VISITORS**

There was one visitor, Charlie Boiles who had a meter request that was going to be considered.

**ITEM 3. PUBLIC COMMENTS**

There were no public comments.

**ITEM 5. DISCUSS AND POSSIBLE ACTION: LANNY LEWIS RESIGNATION AND APPOINTMENT OF KYLE GRIGSBY TO VACANT DIRECTORS POSITION**

Item 5 was moved up on the agenda by unanimous consent of the Board.

The Board accepted the resignation of Lanny Lewis due to health reasons and appointed previous Board member Kyle Grigsby to the vacancy left by Lanny Lewis's resignation.

**ITEM 11. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER**

This item was moved up on the agenda due to Frank Alexander's having to leave for another commitment. He reviewed the financial statements with the Board and answered the question posed by Gerald Theut about the \$9,050 in repairs to the system in March. He also advised that the bank would no longer be monitoring checks for second signatures on them and that we would have to self-police ourselves for second signatures. Gerald Theut made the motion to accept the financial report. Darrell Bledson seconded the motion and on vote, it passed unanimously.

**ITEM 4. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING**

The minutes were reviewed and a motion was made by Darrell Bledose to approve the minutes from the previous Board meeting. David Morrisson seconded the motion. The vote was taken and all approved the motion.

**ITEM 6. ELECTION OF NEW OFFICERS OF THE BOARD**

After confirming members' willingness to serve as officers, Darrell Bledsoe made the motion to maintain the current slate of officers. Kyle Grigsby seconded the motion and on vote, it passed unanimously. Larry Hobbs will remain as President, Zandy Goode will remain Vice-president, and Humberto Hernandez will remain Secretary.

**ITEM 7. DOUG DEUTSCHMANN – TIMELINE OF WHEN LINE WILL BE PUT ON PILGIRM LANE**

We currently do not have filed easements but will be getting them soon. Once we have them, the time line for design, bidding, and construction will be four to six months after the filed easements are obtained.

**ITEM 8. REVIEW AND POSSIBLE ACTION ON METER REQUESTS**

There were two meter requests: Charlie Boiles submitted requests for up to three meters and the Estate of Trudie Tate submitted a request for 50 meters.

After reviewing the Engineer's report on Mr. Boiles request and discussion with Mr. Boiles, Bert Hernandez made the motion to approve up to three meters for Mr. Bolies subject to written approval from Waco since they would be in Waco's ETJ. Darrell Bledsoe seconded the motion and on vote, it passed unanimously.

The discussion of the request for the 50 meters on the Tate land highlighted the need to acquire more land adjacent to the Tate Plant. The increase in meters served by the plant would require additional investment in the plant for land and infrastructure due to the growth and it was determined that it would be best to acquire the land now before the property is platted out. Johnny Tabor was asked about how much land we would need and he estimated about twice as much as we currently have. The Engineer's report included the amount needed for additional pumping (plant) capacity but it did not include land. A motion was made by Zandy Goode to accept the Engineer's Report and approve the installation of the 50 meters contingent on being provided land to increase the plant's capacity to serve the meters. Darell Bledsoe seconded the motion and on vote, the motion passed.

## **ITEM 9. TABOR ENGINEERING – UPDATE ON PROJECTS**

Johnny Tabor reported on four projects as follows:

Pilgrim Lane Water Improvements – waiting on easements and the Engineering Service Agreement  
Southern Heights Addition – waiting on the Waco City Council to approve the plat. It has been approved at the City staff level. Bert Hernandez made the motion to permit Tabor Engineering to submit bids once the Waco City Council approves the plat.  
David Morrison seconded the motion and on vote, the motion passed.

Water Supply & Plant Rehabilitation – waiting on financing

Judd and Moses Well Rehabilitation – The Judd well was worked on and a 60 hp test pump installed indicated the well can generate 220 GPM instead of the current 120 GPM. The original pump was then reinstalled. The Moses well is scheduled for the same procedure. Issues of pump availability and power requirements preclude installing new 60 hp pumps instead of reinstalling the current 30 hp pumps for both wells.

Gerald Theut made the motion to accept the engineer's report and David Morrison seconded the motion. On vote, the motion passed.

## **ITEM 10. DISCUSS AND POSSIBLE ACTION: OBTAINING FINANCING FOR SYSTEM IMPROVEMENTS**

Bert Hernandez reported on financing from two sources – American Bank and Cobank. American Bank offered 3.5% fixed rate financing for 5 years and then the rates would be adjusted every five years. If 20 year financing was selected, currently would the rate would be a fixed 4.5%. There are no points, fees, or closing costs.

John DeLuca had e-mailed a copy of the information on their financing program to Zandy Goode and Bert Hernandez and copies of these e-mails were distributed to the Board outlining the Cobank program. It was expected that Cobank would be making the financing offer by the end of this week. Bert Hernandez reviewed the Cobank program and offered the comparison of a fixed rate of 3.75% for 20 year financing plus earning patronage fees on a \$1,000 investment in joining Cobank owner membership program. As a TWRA member, fees are waived. It was also suggested by John DeLuca suggested while we were seeking construction financing, we should also set up a \$100,000 line of credit from them since there wouldn't be any costs if we didn't use it.

In conclusion it was decided to wait for the actual financing proposal from Cobank, but at this time it looked very favorable to us.

**ITEM 12. REGULAR UPDATE ON BLUEBONNET WATER SUPPLY AND POSSIBLE ACTION**

Darell Bledsoe attended his last meeting as a Bluebonnet Director with David Morrison to take his place at future Bluebonnet meetings. The only two issues at the Bluebonnet meeting were elections of new officers and investigation on how to get emergency power if another weather event such as occurred in March happens again.

**ITEM 13. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS**

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

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

The bank's ceasing inspection of checks for second signatures led to investigation of who on the Board was authorized to sign checks. SVWSC will still required two signatures on checks, however, this policy will be policed internally instead of relying on the bank to catch checks with only one signature. At this time the discussion was held on who on the Board was not listed and it turns out that Gerald Theut and Zandy Goode were not on the bank signature cards.

A motion was made by Bert Hernandez that all active directors have signature authority and that specifically Gerald Theut and Zandy Goode be added to the bank signature cards. The motion was seconded by Kyle Grigsby and on vote, it passed unanimously.

**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 reviewed the Directors' Operations Report with the Board.

Bert Hernandez made the motion to accept the water operations report. It was seconded by Darrell Bledsoe. 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 Tuesday, May 11, 2021 at 5:15 p.m. at the Aqua office at 7025 Sanger, Waco, TX 76710.

**ITEM 19. ADJOURN**

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