

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
January 11, 2022

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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.

ITEM 2. RECOGNITION OF VISITORS

There were no visitors.

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 Kyle Grigsby to approve the minutes from the previous Board meetings. David Morrison seconded the motion. The vote was taken and all present 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 had two items to report on. The first was the status on the Ken Cooper subdivision water plans. Johnny Tabor reported the plans had been completed and were submitted to the City of Waco for approval and now everyone was waiting to hear from Waco before going forward.

The second item involved an estimate for fencing around the Tate Plant after Ken Cooper donates land for the plant expansion. He estimated the fencing to cost approximately \$20,000 not including any

grading that needs to be done. The estimate is for a 6' chain link fence. No permanent fencing would be put up though until the property is deeded to SVWSC. Larry Hobbs made a motion to accept the Engineer's Report. David Morrison seconded the motion and on voting on it, the motion passed.

ITEM 7. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER

Frank Alexander reviewed the balance sheet and income statement for December 2021 and the year-to-date through December 2021 with the Board. Net income for the year was \$ 366,112 with \$128,000 of it coming from developer contributions for system improvements to meet their developments' needs.

He also put together a proposed budget to estimate the ability of the SVWSC to handle the additional debt incurred during the system-wide improvement projects. He went over the budget and it was decided to put together a committee to study the budget and the SVWSC rates and report back to the Board. The committee will consist of Bert Hernandez, Zandy Goode, Gerald Theut, and Frank Alexander.

Frank Alexander recommended that the Board set aside \$75,000 for system maintenance as it had in the past so that maintenance would be paid from this fund instead of current earnings. Gerald Theut made the motion to do so and it was seconded by David Morrison. On vote, the motion passed.

Bert Hernandez made a motion to accept the financial report. Gerald Theut seconded the motion and on vote, it passed.

ITEM 8. DISCUSSION AND POSSIBLE ACTION: REVIEW AND APPROVE BIDS ON PLANT AND WATER LINE IMPROVEMENTS

Discussion was conducted on whether to accept bids with or without the generators that were on the alternate bids. After discussion, it was determined not to accept the bids with generators, instead concentrate on weatherizing our current generator set up so that it would run efficiently in cold weather. Since financing options are available to add generators, and the current generator system would be adequate in an emergency, it was decided that postponing the purchase and installation of two more generators was in the best interests of the SVWSC.

Jurgensen Pump bid \$67,905 for rehabilitating each well at the Judd and Moses for a total of \$135,810. The three bidders on the Water Line Rehabilitation were Breton Backhoe, Barlow Tank, and Bear Contractors. Breton had a base bid of \$198,121.50, Barlow had a base bid of \$219,833.00, and Bear Contractors had a base bid of \$321,099.50. There was only one bidder on the plant rehabilitation—Barsh Pump stations. Other plant rehabilitation contractors who were solicited sent letter stating why they could not bid on our solicitation. The Barsh base bid with a 20' by 20' pump house was \$1,570,220.

Larry Hobbs made the motion to accept the Barsh bid, the Breton bid, and the Jurgensen Pump bid for a total of \$ 2,127,889.39. Zandy Goode seconded the motion. The motion passed unanimously on the vote.

ITEM 9 DISCUSSION AND POSSIBLE ACTION: METER (EQUITY) RATES

There was no report as a new committee has been formed to look at this item in conjunction with water rates and a proposed budget per item 7.

ITEM 10. REGULAR UPDATE ON BLUEBONNET WATER SUPPLY

There was no Bluebonnet Board meeting in December 2021. David Morrison spoke to Jim Lilly about supplying the contracted amount of water to SVWSC . Jim Lilly stated consideration was being given to adding a pump to deliver the water since the remedies suggested to us had not resolved the problem.

ITEM 11. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS

On review, the motion was made by Bert Hernandez and seconded by Gerald Theut to authorize payment of bills for January 2022. All were in favor, the motion passed.

ITEM 12. DISCUSSION AND POSSIBLE ACTION: REVIEW POLICIES ON BOARD ACTIONS ON WATER BILLS

The water bill adjustment policy was reviewed in light of previous decisions made by the Board. Bert Hernandez clarified that the Board still could make adjustments to a customer's bill if the Board felt it was justified. The policy of allowing Terri Whitley adjust a customer's bill to the lowest rate once every 12 months will be continued. If a customer asks for more than that, the bill will be reviewed by the Board. The Board can make whatever adjustments it will so long as justifications are consistent with all customers. In light of the clarification, the adjustment requests from Brian Davis and Larry Hobbs were reviewed again. The decision previously made on the Brian Davis request was upheld. Larry Hobbs recused himself during the review of the previous Board action in November 2021. The decision on Larry Hobbs was changed to adjusting the bills for September 2021, October 2021 and November 2021 to charge for the water used at the lowest rate. Darrell Bledsoe made the motion to adjust the bills for September, October, and November at the lowest rate. Kyle Grigsby seconded the motion. On vote, the motion passed. Larry Hobbs abstained.

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

An issue was brought up by Terri Whitley concerning posting items such as the agenda and the minutes to the web site. Attempts to contact the administrator had been unsuccessful so the Board discussed remedying the situation by training Aqua personnel to do the posting, finding another administrator, or getting a response from the current administrator of our website to address our concerns. It was

determined that the first step was to contact the administrator and if that wasn't successful in resolving the issue, it would be put on the agenda for next month's meeting so action could be taken.

An inquiry was made concerning the receipt of applications for Director positions on the SWVSC Board. There are three positions currently held by Larry Hobbs, Humberto Hernandez, and Gerald Theut that are reaching the end of their terms. No one other than the current place holders have applied for those positions.

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 reviewed the Directors' Operations Report with the Board.

Larry Hobbs made the motion to accept the water operations report. It was seconded by Zandy Goode. 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, February 8, 2022 at 3:30 p.m. at the Aqua office Waco, TX.

ITEM 18. ADJOURN

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

Submitted by: Humberto Hernandez February 3, 2022
Humberto Hernandez
Secretary, SVWSC