

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
July 12, 2022

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

Visitors were Ryan Barnett representing the Rancho Lorena HOA, Danny Bounds, and Jennifer and Brian Spry.

ITEM 3. PUBLIC COMMENTS

Larry Hobbs read a letter from Larry Light suggesting we suspend approval of new meters in the system until our flow capacity increased. He also inquired on how to get on the Board.

Danny Bounds who lives at 3809 Mockingbird Lane asked about six mobile homes that were being moved next door to him. Larry Hobbs deferred answering the question since it could be answered under another agenda item. Mr. Bound was content to wait.

Jennifer Spry asked for more than the usual two minutes for comments and was granted the time to make her presentation. She had issues with the current water restriction. She first enumerated the actions her family was taking to comply with the water restrictions. She enumerated reforms to the water restriction plan including no automated sprinklers, upper caps on usage, and punitive pricing of water during the restrictions. She also spoke to exemptions she would like to see including exemptions for watering gardens, watering to create high-fire risk buffers, freshly laid sod, newly planted trees, and other exemptions as voiced by customers. She next listed issues with notifications of restrictions. She did not think mailing notification cards were timely and she suggested we use social media or the emails available from the e-payment system for notifications. She also asked that there be notification of listing of lifting restrictions. She stated that the web page was not updated to reflect the imposition of restrictions. She also asked for a moratorium of approving new meter requests during water restrictions. Finally she asked the the Board change its meeting time from the afternoon until after 5:30 pm and to

move the meetings to a location nearer our service area such as holding it in a school or other public building.

Larry Hobbs thanked the guests for their comments and advised that their issues would have to be addressed later since they could not be addressed under this agenda item.

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. Darrell Bledsoe seconded the motion. The vote was taken and all present approved the motion.

ITEM 10. REGULAR UPDATE ON BLUEBONNET WATER SUPPLY

Larry Hobbs reported that he and David Morrison had contacted and met with Bluebonnet to determine how much water we were actually receiving. A flow test was conducted at the fire hydrant near the main plant and it was determined the instead of 489 gal/min the flow was actually around 280 gal/min indicating that the flow restriction was on the Bluebonnet side of operations. After this it was determined that the next action to be taken was to have another meeting with Bluebonnet and this time to include engineers from both sides to work out what needs to be done to be able to flow our contracted amount of water if Bluebonnet could not solve the issue on their own efforts.

ITEM 5. REVIEW AND POSSIBLE ACTION ON METER REQUESTS

There were two meter requests for this meeting. One was from Jose Loera for one meter and the second was from Next Level Development for 2 meters. After discussion on the concern about approving the meters but not being able to supply them with water, Larry Hobbs made the motion to move up item 10 ahead of this item in order to better understand the nature of the problem. Kyle Grigsby seconded the motion and on vote, the motion passed. Item 10 was moved ahead of this item.

After the discussion concerning Bluebonnet it was decided to defer approval of the two meter requests until we had some assurance that the problem with Bluebonnet was going to be resolved. Larry Hobbs made a motion to delay the decision on the meter requests until Bluebonnet gives us a timetable when they will be able to deliver our contracted amount of water, Kyle Grigsby seconded the motion and on vote, the motion passed.

Kyle Grigsby had a question about temporary hook-ups to an existing meter and Larry Hobbs clarified the policy of only allowing 2 weeks for such a connection.

ITEM 6. DISCUSS AND POSSIBLE ACTION: RANCHO LORENA METER REQUEST

Ryan Barnett explained that the Rancho Lorena wanted a meter to set up a sprinkler system at the entrance to the development which would be two 300 sq. ft. areas. He acknowledged the issue we were having with Bluebonnet and understood we couldn't make a decision at this time. It was suggested to him that he make an application and it would be reviewed by the Board.

ITEM 7. TABOR ENGINEERING – UPDATE ON PROJECTS

Larry Hobbs had a question on six mobile homes that had been moved on to Mockingbird Lane. Aqua had determined that they were going to be used for home schooling, not as residences. Six water meters had previously been approved for the area that they were located in.

The first item to be reported on was the plant rehabilitation project. Barsh Company is working on both sites. The engineer and contractor met with Oncor at the Moses Plant and Oncor agreed to upgrade the poles and transformers at no cost. Heart of Texas Electric Co-op met with the contractor at the Judd Plant and determined that the upgrade for the Judd site would be approximately \$10,000.

The second item to be reported on was the water line rehabilitation. Last month it was reported that Mark Breton found discrepancies between the system maps and the existing meter count and line sizes in the field. Johnny Tabor reported he was working with both Aqua and Breton to resolve these issues. Due to the excessive heat, Breton has been repairing emergency leaks for SVWSC and other systems,

On the Lakeridge Estates (Ken Cooper's development) The engineer is in receipt of the civil plans and are still awaiting for the latest plat prepared by the surveyor. We are unable to proceed until we receive the latest surveyor's plat.

SVWSC and the engineer have received the signed Engineering Agreement on June Mockingbird-Robin Addition on June 29th and the surveyor's plat on July 7th. The engineer is currently working on plans and specifications.

It was noted the every leak in the SVWSC system was being treated as a emergency break to minimize the loss of water during the restriction period.

There was discussion of the effects of water restrictions and how other systems dealt with the restrictions. Larry Hobbs requested that in coming months, we place water restrictions on the agenda so that if we have more customers such as Jennifer Spry bring up concerns we can address them.

Larry Hobbs reviewed the handout that Ms. Spry gave the Board on her issues to see if the Board could address them with the current agenda. It was determined that the concerns could be addressed next month under the "Water Restrictions" agenda item.

ITEM 8. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER

Frank Alexander reviewed the balance sheet and income statement. He pointed out that there were no extraordinary items on the balance sheet.

On the income statement, revenues were up mainly from an increase in water sales. Income was up from June of 2021 so June 2022 was a good month with net income at \$ 41,247.

Larry Hobbs made the motion to accept the financial report. Gerald Theut seconded the motion and on vote, the motion passed.

ITEM 9. DISCUSS AND POSSIBLE ACTION: BUDGET ADOPTION

Frank Alexander presented the 2022 budget for review and approval. One item that was left off the budget was developer contributions because there was no way to estimate them, so the budget is an operating budget with known variables. After discussion, Gerald Theut made a motion to accept the budget, and the motion was seconded by Kyle Grigsby. On vote, the motion passed and the budget was adopted.

ITEM 11. DISCUSS AND POSSIBLE ACTION: WATER RATES AND FEES

Larry Hobbs made a motion to table discussion and action on water rates until the issue with Bluebonnet water delivery and a time table from them as to when it would be resolved. Bert Hernandez made a motion to table this issue and Gerald Theut seconded the motion. On vote, the motion passed and this item was tabled.

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

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

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

There was a question about Bluebonnet's water deliveries but this was answered in discussing Item 10 which was the Bluebonnet report.

A second question arose concerning the levels of water rationing and exemptions to the restrictions.

After Mark Kocian reviewed the water restriction levels with the Board, Larry Hobbs suggested that a committee be formed to review the drought plan and its restrictions. Zandy Goode, Bert Hernandez, and Jennifer Spry volunteered to serve on the committee.

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.

Bert Hernandez 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

There was a discussion with the visitors concerning the Board meeting time. Larry Hobbs explained why the meeting times were moved up to 3:30 pm from 5:30 pm. While 3:30 pm may be inconvenient for some, it was also pointed out that evening meetings were inconvenient for others. Alternatives to the meeting place and time were discussed with the visitors. In all no action was taken on changing the regular meeting times.

The next meeting of the Board will be on Tuesday, August 9, 2022 at 3:30 p.m. at the Aqua office, 7025 Sanger Ave., Waco, TX.

ITEM 18. ADJOURN

A motion was made to adjourn by Larry Hobbs and was seconded by Bert Hernandez. All were in favor and none opposed. The motion carried and the meeting was adjourned.

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