

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
September 6, 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 Gerald Theut 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. DISCUSS AND POSSIBLE ACTION: BLUEBONNET WATER SUPPLY REPORT

David Morrison reported on his visit with the General Manager, Jim Lilly. The first issue discussed was the pipeline to deliver the currently contracted amount of water. At this time Bluebonnet reported that they were going to extend a 12" pipeline to us though it was unclear whether the pipeline would come from Moody or McGregor. Based on the information he received, it is believed to be coming via Moody. David Morrison also stated the Bluebonnet had the financing for the project and it was separated from their general budget. At this time the Bluebonnet engineers were working on the project to install the pipeline.

The next topic discussed was increasing our allotment from Bluebonnet. The General Manager stated that the allotment belonged to everyone on the system and that the other eight members would have

to approve the increase to us. He stated it was not a good idea at this time to present it to other members. The main issue was that at this time we cannot receive our contracted amount of water and to ask for more allotment when we can't receive what we contracted for would be unseemly. Larry Hobbs brought up the fact that when our issue on delivering the current allotment is fixed, then the extra capacity left at Bluebonnet might be gone and we would not get the water for our anticipated needs. This item will be revisited with Bluebonnet.

The last item discussed was to request a letter from Bluebonnet expressing that they were diligently working on solving the delivery problem and, if possible, a timeline when their project would be completed. If they could not provide an estimated completion date, then a statement that they would keep us posted would be sufficient. This letter would be helpful in explaining why we were suspending new meter requests and could help explain to governing agencies and potential customers the reason we were suspending approvals and help potential customers make their plans.

Darrell Bledsoe made the motion to accept the Bluebonnet Report and Gerald Theut seconded the motion. On vote, the motion passed unanimously.

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

Terri Whitely reported that the list of meter requests had been set up and that previous meter requests were on the list. The only application for meter requests that was in suspense was the one from Fulkenbery. They requested more time to make a decision. Larry Hobbs suggested that they be put on the list as a placeholder until they made the decision. The Board approved the action. Furthermore, the Board reaffirmed their previous decision to suspend meter approvals and to continue with the Priority List for meter requests.

ITEM 7. DISCUSS AND POSSIBLE ACTION: APPROVE BIDS ON THE MOCKINGBIRD-ROBIN ADDITION

The bids were to be ready to approve on September 13th but since the Board Meeting was moved up a week to September 6th, the bids were not on hand at this meeting. The bid opening is scheduled for September 13, 2022 at 11:00 am at the Aqua Office. Once they are received, Johnny Tabor will inspect them, tabulate them, and then present the best bid for the work to be performed. Two Board members, volunteered to look the bids over. After discussion a motion was made by Gerald Theut to authorize Zandy Goode and/or David Morrison to approve the best bid, as recommended by Johnny Tabor, contingent on the developer paying the his portion of the bid. Bert Hernandez seconded the motion, and on vote, it passed unanimously.

ITEM 8. DISCUSS AND POSSIBLE ACTION: PIPE CHANGES TO THE BRETON BACKHOE SERVICE CONTRACT

Previously the Board approved the contract adjustment for \$15,808 dollars to install 4" pipe instead of 2" pipe on the item presented last month. Johnny Tabor then went to Breton to advise them and they reviewed it and came back with a \$27,673 correction due to price increases and using 4" fittings instead of 2" fittings.

There was a long discussion concerning the Board's previous position on 4" pipe vs. 2" pipe and it was conceded that although the Board had previously wanted all pipes to be 4" on occasion, 2" pipe was approved on bids. It was decided that in the future all primary bids were to be figured on 4" pipe. The position on 4" being the preferred size was restated and confirmed by the Board. Payment of the difference between the bid last month and the bid this month was discussed at length. Prior commitments per bids let out vs. overruns were discussed. We are staying within the amounts contracted at the start of the improvement project except for the well rehabilitation which was put on hold for action later. Monthly income was reviewed, and since \$15,808 was approved last month, in actuality \$11,865 additional was necessary to accept the bid. It was determined this amount could be made up by current profits and that it would not impair either the main improvement projects nor the operational capital requirements.

Bert Hernandez made a motion to rescind last month's approval of \$15,808 for the Breton alternate bid and to approve this month's submission of \$27,673 for the use of the 4" pipe. Gerald Theut seconded the motion and on vote, the motion passed unanimously.

ITEM 9. TABOR ENGINEERING – UPDATE ON PROJECTS

The first item Johnny Tabor reported on was the Plant Rehabilitation. He reported the Barsh Company was continuing work on both plants. He reports that the work is progressing in a satisfactory manner.

The waterline rehabilitation was covered in Agenda Item 8.

We are waiting for a revised Plat and Deed for the additional land Ken Cooper donated for the Tate Plant. The plans for Lakeridge Estates are complete now and are ready for submission to the City of Waco. The new plans include items that weren't on the original plans such as fire hydrant assemblies, water service taps and box assemblies, and steel encasements. That brings the total project cost to \$499,000 plus estimated engineering fees of \$65,000. \$45,000 have been paid, so Johnny Tabor requested the Board to consider collecting an additional \$20,000 from the developer to cover the difference in engineering fees based on the revised project cost. A decision was made to table this request to Ken Cooper for a later consideration.

The Mockingbird-Robin Addition Water Improvement bids open on September 13, 2022 at 11:00 am at the Aqua Offices. This item was covered in detail in Agenda Item 7. Bert Hernandez made a motion to approve the Engineer's Report and Gerald Theut seconded. On vote, the motion passed.

ITEM 10. DISCUSS AND POSSIBLE ACTION: LAND GIVEN TO SVWSC BY KEN COOPER FOR THE TATE PLANT EXPANSION

The Board discussed fencing on the property that was going to be donated to us by Ken Cooper. Larry Hobbs made a motion to authorize Mark to get bids on building up the backside of the Tate property and then to get bids on fencing the new property. Darrell Bledsoe seconded the motion and on vote, the motion passed.

ITEM 11. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER

Frank Alexander reviewed the balance sheet and income statement. Net income for August was \$60, 891 and year-to-date through August 2022 it was \$234, 142. The high income was due to drought in July and August which caused unprecedented demand for water. The financial position of the System is solid and the additional income can be used to cover improvements in the system and still maintain debt service.

Bert Hernandez made the motion to accept the financial report. Zandy Goode seconded the motion and on vote, the motion passed.

ITEM 12. DISCUSS AND POSSIBLE ACTION: DROUGHT PLAN REVIEW AND ACTION

Bert Hernandez and Zandy Goode reported to the Board on suggestions to modify the Drought Plan to handle the surge in water usage during the drought. Jennifer Spry was a member of the committee on drought plans and she was included in the meeting of August 18th at Zandy Goode's house.

Recommendation: When water restrictions are lifted all available media needs to be used to provide notifications. Postcards, e-mail list of online payers, the website, and neighborhood chatboards if Facebook, Instagram, or Twitter are unavailable.

Discussion and actions: Postcards are being used but are subject to vagaries in Post Office delivery. Problems with the website being kept updated were noted in Item 15. The neighborhood chatboards for Hewitt & Lorena was used for the first time this drought period to notify customers of changes in restrictions. It's impractical to effectively use social media to post notifications since office personnel are being kept to a minimum effective staff.

Recommendation: The website is hard to read on a smartphone. Investigate how to make the website more phone friendly.

Discussion & Action: Board members were informed that fewer people are using their computers and that 80% of people now get their information from phones. It was decided that an agenda item for next month would be to invite web services providers to offer what they could do to make our website more timely and phone friendly. Larry Hobbs requested that Board members use their contacts to solicit vendors for website services.

Recommendation: Allow an exemption for watering gardens that provide food, not flower gardens.

Discussion: The tariff, Section H, makes provision for petitioning for exemptions for water usage. This can be used for asking for an exemption to water gardens with mechanical means rather than just hand watering as our level 1 and 2 restrictions permit.

Recommendation: Allow a 30 day exemption for watering newly planted grass and trees.

Discussion: The tariff allows the same exemption process as in the item above for these situations

Recommendation: Incentivize customers to conserve water. Consider incentives for new developments including for not installing irrigation systems and putting in drought resistant turf such as Bermuda, Buffalo, or Zoysa grass.

Discussion: It would be hard to police and developers would have to be compliant which the Board does not have authority to tell them what to put on the properties they are developing.

Recommendation: Offer seminars/ classes on water conservation

Discussion: This could be done once the proper resources & people are lined up for them. Otherwise, this could be done through an improved website with more conservation content. This will be discussed with potential website service vendors,

Recommendation: Offer irrigation/water usage audits for top water users

Discussion: The current drought restrictions are due to being unable to source our contracted amount of water from Bluebonnet due to a delivery problem on their side to our system. Had the problem not occurred, we may not have had to institute drought restrictions. Prior to this we had not been drawing our full allocation of water, so the problem was not found until we tried to draw water to meet increased demand. This recommendation was turned down by the Board since we have a commitment to meet our customers' water needs regardless how much they use and the higher rates they pay for water enable SVWSC to continue to make improvements to the system which benefits all members.

In reviewing the Drought Plan which was section H of the Tariff book, it was determined that an update needed to be made to it. Instead of imposing extra fees for violations of the applicable drought restrictions, SVWSC instead places flow restrictors on customer's meters who are on their second and third violations. Bert Hernandez made the motion to upgrade that section of the Drought Plan. It was seconded by Larry Hobbs, and on vote, the motion passed.

ITEM 13. DISCUSS AND POSSIBLE ACTION: WATER RATES AND FEES

Larry Hobbs made a motion to table discussion and action until a later when water restrictions were lifted. The motion was seconded by Bert Hernandez, and on vote, the motion passed.

ITEM 14. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS

On review, the motion was made by Darrell Bledsoe and seconded by David Morrison to authorize payment of bills for September 2022. All were in favor, the motion passed.

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

Terri Whitley brought up that the location, time, and date of the Christmas Party needed to be set. She was instructed to see if 135 Prime could handle our event on the evening of December 6, 2022 which would be the first Tuesday of December. This will be an Agenda item next month to finalize and approve.

She also brought up problems she was having with our webmaster in getting items posted and information updated. The Board made note of the concerns and will keep them in mind when next month, we review and possibly take action on website improvements.

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

Larry Hobbs presented the Operations Report in lieu of Mark Kocian.

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

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

The Board adjourned into Executive Session at 5:15 p.m

ITEM 17. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION

The Executive Session was ended at 5:41 p.m. with no action taken so the regular meeting was reconvened.

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

The next meeting of the Board will be on Tuesday, October 11, 2022 at 3:30 p.m. at the Aqua office, 7025 Sanger Ave., Waco, TX.

ITEM 20. 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 September 15, 2022
Humberto Hernandez
Secretary, SVWSC

Properties

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