

MELROSE WATER SUPPLY CORPORATION
12574 East State Hwy 21, Nacogdoches, TX 75961
Phone: 936-560-2360 Fax: 936-560-5446

MINUTES FOR REGULAR MEETING
HELD September 13, 2016

These are the minutes for September 13, 2016 Regular meeting of the Melrose Water Supply Corporation which was held at 6:00 p.m. at the Corporation's office in Melrose, Texas.

Board members present were Danny Harkness, Jay Smith, C.W. Wells, Don Parmer, Susan Fountain, Keith Millard and President Lamar Horn.

Others present were: Jennifer King, Crystal Jones, Brandon Alvis, Wade Minter, Ann Woodward, Linda Gilpatrick, Anita Kite and John Makow.

The board members present addressed the following:

Agenda Item 1: The meeting was called to order by President, Lamar Horn at 6:00 PM.

Agenda Item 2: Lamar Horn established there was a proper quorum present for the Board to conduct business.

Agenda Item 3: Open Forum (Comments from the Public – limit of two minutes per person).

Anita Kite had questions regarding the financial statements and bidding process.

Agenda Item 4: Discuss and possibly take action concerning Minutes from past meetings. Jay Smith made a motion to approve the Minutes from the August 9, 2016 Regular Meeting. Danny Harkness seconded the motion. The motion carried 6 to 0.

Agenda Item 5: Discuss and possibly take action concerning the status of accounts receivable and financial report for Melrose Water Supply Corporation concerning the month of August 2016. Jay Smith made a motion to approve the financial reports as read. Danny Harkness seconded the motion. Motion carried 6 to 0.

Agenda Item 6: Discuss concerns from Ann Woodward regarding quality of water, varying water pressure and communications.

1. Communications – she would like to see the message changed on the answering machine updating customers on the status of outages and boil water notices.
2. Pressure - she stated that the pressure was too high in places like on county road 350.
3. Quality – she stated that her water is brown and dirty or sandy on FM 95.

Mrs. Woodward tried to pass the podium to Mr. Makow. The board informed Mrs. Woodward that he was not on the agenda and he could not speak on her behalf without being on the agenda. Mrs. Woodward said since Mr. Makow couldn't speak on her behalf then she would present what he had. She then proceeded to show the board dog water bowls the Mr. Makow had brought with him. Mr. Makow proceeded to say since he couldn't speak that he was leaving. As Mr. Makow and Mrs. Kite were leaving the meeting they made a comment that we would be hearing from them.

Agenda Item 7: Discuss and possibly take action on where to place the funds moved from Capital One in Chireno. Danny Harkness made a motion to move the funds to Commercial Bank. Jay Smith seconded the motion. Motion carried 6 to 0.

Agenda Item 8: Discuss and possibly take action on changing the time of the Melrose Water Board of Directors Meetings. Danny Harkness made a motion to change the time from 6:00 PM to 6:30 PM. Don Parmer seconded the motion. Motion carried 6 to 0.

Mr. Horn added that the time was being changed because Keith Millard didn't get off work until 6:00 PM.

Agenda Item 9: Receive report from Manager or his designee regarding overall systems operations.

1. 113 work orders for August 2016
2. Wells are running better. The state cleaned the ROW in Blackjack by the well.
3. Daily Sentinel is going to start charging to run boil water notices.
4. Bore's - CR 302 under creek \$4,490.00
- FM 95 (N of Chireno) \$20,404.00
Estimates from KR Black
5. Generators – are scheduled to do a test run every Monday at 10 AM.
6. We changed chemical companies for the Polyphosphate at the Oakridge, Pace and Parmer

Plants.

Agenda Item 10: Discuss and possibly take action on purchasing generators for the Oakridge Plant and the Chireno Plant. C.W. Wells said that Scott Watson who is a Generac dealer recommended not using Generac Generators. Estimates from Scott Watson are as follows:

Oakridge Plant: \$39,086.40 for Diesel Generator 155 KW
\$38,296.80 for Natural Gas Generator 150 KW
Chireno Plant: \$106,510.80 for Natural Gas Generator 265 KW
\$51,060.00 for Diesel Generator 250 KW

Jay Smith stated that we need three written bids since the cost is over \$5,000.

Danny Harkness made a motion to table this item. Don Parmer seconded the motion. Motion carried 6 to 0.

Agenda Item 11: Discuss and possibly take action on repairs needed on the tanks at the Pace Plant and the Sandhill Plant. Brandon Alvis said we just needed to take them one at a time. He recommended that we start with the Pace Plant. C.W. Wells discussed what all needed to be

done to the tanks at the Pace Plant. Jay Smith asked what the deadline was for having these completed. Brandon Alvis said that we needed to have something done before TCEQ come back in 2 ½ years. Jay Smith made a motion to table this item to get figures from the bank on a loan to complete this. Don Parmer seconded the motion. Motion carried 6 to 0.

Agenda Item 12: Discuss and possibly take action on clear views needed at plants. C.W. Wells said we need to replace all but the one at the Chireno Plant. They are \$880 plus the cost for the electrician to come install them. C.W. Wells said his plan is to order one a month or every other month. He said he already has one, just waiting on Cherokee Electric to come install it. The clear views need to be completed before TCEQ returns in 2 ½ years. Jay Smith made a motion to get this completed based on the availability of funds. Danny Harkness seconded the motion. Motion carried 6 to 0.

Agenda Item 13: Review monthly work orders and new customer listings. C.W. Wells said we have had two new turn ons. C.W. Wells said we are finding and addressing multiple connections. Lamar Horn asked the status of the multiple connections on CR 392. C.W. Wells said that it is still open and he is working on addressing the issue.

Agenda Item 14: Discuss and possibly take action regarding the Melrose Water Supply Corporation Tariff. C.W. Wells said we just need to finalize it. Jay Smith asked if C.W. had spoken to Chris Hughes. C.W. Wells said that Chris Hughes was worried the proposed new tariff was going to be too complicated. C.W. Wells stated that he and the subcommittee need to meet and discuss the finalizing of the tariff. Jay Smith made a motion to table this item. Danny Harkness seconded the motion. Motion carried 6 to 0.

Agenda Item 15: Discuss items for placement on the next meeting agenda. Possible items for the agenda are: Tariff for Melrose Water, Tank Repairs, Generators and RVS.

Agenda Item 16: Adjourn. Jay Smith made a motion to adjourn the meeting. Danny Harkness seconded the motion. Motion carried 6 to 0.

Meeting adjourned at 7:00 PM.

Board President Signature

Board of Director Signature