

MELROSE WATER SUPPLY CORPORATION
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MINUTES FOR REGULAR MEETING
HELD DECEMBER 13, 2016

These are the minutes for December 13, 2016 Regular meeting of the Melrose Water Supply Corporation which was held at 6:30 p.m. at the Corporation's office in Melrose, Texas.

Board members present were Jay Smith, Danny Harkness, Kenneth Hensarling, Keith Millard, Susan Fountain and Don Parmer.

Others present were: C.W. Wells., Jennifer King, Crystal Jones, Brandon Alvis, Balta Talamantes, Ann Woodward, Evelyn Cordova, Linda Gilpatrick and Jack Miley.

The board members present addressed the following:

Agenda Item 1: The meeting was called to order by Vice President, Jay Smith at 6:30 PM.

Agenda Item 2: Jay Smith 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). Ann Woodward addressed the board about the minimum usage on her bill. Linda Gilpatrick addressed the board that the charges and credits on her bills don't add up.

Agenda Item 4: Discuss and possibly take action concerning Minutes from past meetings. Danny Harkness made a motion to approve the minutes from the November 8, 2016 Board of Directors meeting. Keith Millard seconded the motion. Motion passed unanimously.

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 November 2016. Danny Harkness said he had already spoken with Jennifer King about issues with the reports. Danny Harkness made a motion to table this item. Kenneth Hensarling seconded the motion. Motion passed unanimously.

Agenda Item 6: Discuss and possibly take action on giving the employees of Melrose Water a Christmas Bonus. C.W. Wells said he feels that the team deserves it. He went over previous violations. He said we have come a long way getting the system in a good working condition. Jay Smith asked what C.W. Wells' recommendation was. C.W. Wells said \$200. Jay Smith made a motion to accept the manager's recommendation of \$200. Don Parmer seconded the motion. Kenneth Hensarling said he knows that the employees are doing a good job but that is what we hired them for. Jay Smith called for a vote. Motion carried 5 to 1.

Agenda Item 7: Discuss and possibly take action on where to place funds in a CD to use as collateral for a loan to make repairs at Pace Plant. Danny Harkness made a motion to move money from Bancorp South bank to Commercial Bank of Texas to get a CD for collateral. Don Parmer seconded the motion. Motion passed unanimously.

Agenda Item 8: Discuss and possibly take action on approving a loan at the location of the CD. Jay Smith said this was covered in Item #7 so no action needed.

Agenda Item 9: Discuss and possibly take action on accepting a bid to make repairs at Pace Plant. C.W. Wells said he had several bids. Spectrum did the work at the Greer Plant last time. C.W. Wells suggested that we should keep the same vendor. The bid from Spectrum is \$53938.00 that includes both tanks and additional work that has to be done which is included in the price. If the inside of the pressure tanks need work, that would be an additional \$2000.00. This would involve shutting the tanks down, but Spectrum would use a backup tank. C.W. Wells discussed maintenance plans and warranty information. Danny Harkness made a motion to accept the bid from Spectrum. Don Parmer seconded the motion. Motion passed unanimously.

Agenda Item 10: Discuss and possibly take action to approve the date of the Annual Members Meeting. Jennifer King said that based on previous years the annual meeting is the last Thursday of April. The date for the upcoming annual meeting should be April 27, 2017. Kenneth Hensarling made a motion to approve April 27, 2017 as the date for the annual members meeting. Keith Millard seconded the motion. Motion passed unanimously.

Agenda Item 11: Discuss and possibly take action to accept the calendar for the upcoming election schedule. Jennifer King went over the dates and explained that those dates are for when customers have to be notified of the election. Keith Millard made a motion to accept the calendar for the upcoming election schedule. Danny Harkness seconded the motion. Motion passed unanimously.

Agenda Item 12: Receive report from Manager or his designee regarding overall systems operations.

1. Plants - C.W. Wells said that Greer Plant went down and that Wanda Drilling had to come in and pull the pump.

At the Chireno Plant the solenoid went bad and had to be replaced.

2. Leaks are getting fixed overtime. We have fixed several leaks in Boggy Creek and Parmer Pasture.
3. Vehicles – $\frac{3}{4}$ ton is about to need the power steering worked on.
1 ton Brandon Alvis bought a used tire so that we would have a spare for it.
4. Multiple Hook Ups - we are getting them taken care of.
5. Monthly Samples – came back good.
6. RVS Billing Software – We just had our first month of billing through this program.
7. W/O – 122, we mailed out 84 Disconnect Letters, we had 3 customers that defaulted on their DPA's.

Agenda Item 13: Discuss and possibly take action on purchasing a video and audio recording system for security purposes for Melrose Water Supply Corporation. C.W. Wells said we need this for the safety of the employees and that we had to have the law come out. Keith Millard made a motion to table this item to give Jennifer King time to get more quotes. Danny Harkness seconded the motion. Motion passed unanimously.

Agenda Item 14: Discuss and possibly take action on installing a drive thru window for increased security of the employees of Melrose Water Supply Corporation. C.W. Wells said this has been on his long term goal list. Plus it would accommodate the customers. It would help with the security of the staff. Jay Smith said we should table this item to get quotes. Don Parmer made a motion to table this item. Keith Millard seconded the motion. Motion passed unanimously.

Agenda Item 15: Discuss and possibly take action on which Commercial Bank of Texas account we need to be depositing daily deposits into. Jennifer King explained that we should be making deposits into the account we spend money from, that we are charged fees for deposits and withdrawals so when we transfer money we pay those fees twice. Don Parmer made a motion to make the regular daily deposits into the operating account at Commercial Bank of Texas. Susan Fountain seconded the motion. Motion passed unanimously.

Agenda Item 16: §551.074 Executive Session will be held for the purpose of; 1. To discuss employment matters pursuant to section 551.074 regarding the employment duties and responsibilities of city personnel.

Closed for Executive Session at 7:16 PM
Returned to Regular Session at 7:22 PM

Agenda Item 17: Discuss and possibly take action, if any, on the closed executive session. C.W. Wells made a recommendation to bring Crystal Jones to \$9.00 per hour. Danny Harkness made a motion to accept C.W. Wells' recommendation. Don Parmer seconded the motion. Motion passed unanimously.

Agenda Item 18: Discuss items for placement on the next meeting agenda.
1. November 2016 financials
2. Installing a video and audio recording system
3. Installing a drive through window

Agenda Item 19: Adjourn.
Danny Harkness made a motion to adjourn. Keith Millard seconded the motion. Motion passed unanimously.

Meeting adjourned at 7:25 PM

Board President Signature

Board Secretary Signature