

MELROSE WATER SUPPLY CORPORATION
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MINUTES FOR SPECIAL MEETING
HELD JANUARY 17, 2017

These are the minutes for January 17, 2017 Special 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, Don Parmer and Susan Fountain.

Others present were: C.W. Wells, Jennifer King, Crystal Jones, Brandon Alvis, Balta Talamantes, Doyle Alford, Rebecca Alford, Cole Parmer, Linda Gilpatrick, Jan Molandes, Mary Jo Molandes, Kelley Burks, Evelyn Cordova, Ann Woodward, Josh Patton, Bill McDonald, John Makow, Tyana Michelle, Vivian Bradberry, Anita Kite and Robert Ford.

The board members present addressed the following:

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

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).1. Mary Jo Molandes Addressed the board with her concerns regarding McGowan Plant, Fowler Plant and low pressure to no water for 6 weeks. Upset that she hasn't been able to get a straight answer.

2. Evelyn Cordova she addressed the board about the leak in front of her house and wanted to know when it was going to be fixed. She also stated that she would need notice before the work was done so she could remove her flowers ahead of time.

3. Ann Woodward addressed the board about communication problems. She stated that she had gotten on the agenda and complained about boil notice signs not being put out. She was upset that the board could not approve the financials for November but could approve Christmas bonuses for the employees.

4. Anita Kite stated she lives at the end of the line. She said the flush valve is not being flushed and that they have poor water quality. She stated that C.W. hung up the phone on her husband. She said that the boards of directors are not doing their job and only doing what the employees says needs to be done.

5. Shawn Drewery said that he called the emergency numbers and never hears back from anyone. He stated that there is a water leak across from his property and claimed that it has been there for over four years.

6. Josh Patton said that he isn't having all the problems like everyone else. He said he works for a water system and that he works around the clock 365 days a year. It also said that it is not acceptable for employees to not return phone calls. He also said that the drive thru that Melrose Water is wanting is not acceptable and should be the least and last concern of the company.

7. Jack (no last name) said he lives on CR 392. He stated that he has been on several boards. He wanted to know, what was the best way for the customers to get answers to their questions since they aren't getting answered. Boards of Directors are appointed by the people, so they need to know the answers.

8. Tyana Michelle she stated that they haven't had water for so long that it is becoming a sanitary issue. She stated that the board and employees need to have compassion for the families. She also voiced her concern about not getting a call back from the manager. She just wants her water back and care and compassion to be shown.

Agenda Item 4: Discuss and possibly take action concerning Minutes from past meetings. Danny Harkness made a motion to approve the minutes from December 13, 2016. Don Parmer 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 months of November and December 2016. Jennifer King asked Danny Harkness if he had any more questions and he said he had spoken with Terre and she had answered his questions. Danny Harkness made a motion to approve the financials for November and December 2016. Don Parmer seconded the motion. Motion passed unanimously.

Agenda Item 6: Discuss and possibly take action on purchasing a video and audio recording system for security purposes for Melrose Water Supply Corporation. C.W. Wells recommended that no action be taken.

Agenda Item 7: 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 recommended that no action be taken. Danny Harkness made a motion to take no action. Don Parmer seconded the motion. Motion passed unanimously.

Agenda Item 8: Receive report from manager or his designee regarding overall systems operations.

Crossroads – can't keep water in the tank. It is going to be mechanical / electrical. C.W. said that we replaced a clay valve on January 7. He said that they can't find the leak because of the sandy soil in that area. He stated that they are going to be installing valves to help determine the location of the leak.

Pace - \$80,000 project, refurbishing the storage and pressure tanks, getting the plumbing fixed

Grants – 2017 Swift funding in February. Would be a low interest loan
C.W. said that he is giving TCEQ a daily update.

C.W. Wells said that the employees here now did not create all the problems. When he started working here in January of 2016 there were a lot of outstanding violations that we have gotten cleared and that there are no violations now.

Agenda Item 9: Discuss and possibly take action on approving the ballot, director application form, and election procedures are reviewed and adopted by the board. Jay Smith said that he had looked over the information and it is like what we have used in the past. Danny Harkness made a motion to approve the ballot, director application form, and the election procedures. Don Parmer seconded the motion. Motion passed unanimously.

Agenda Item 10: §551.074 – Executive Session will be held for the purpose of discussing employment matters pursuant to section 551.074 regarding the employment duties, evaluations and responsibilities of personnel.

Went into closed session at 6:58 P.M.

Return to open session at 7:22 P.M.

Agenda Item 11: Board action, if any, on item(s) discussed in executive session. Jay Smith made a motion to table this item and to reevaluate it in thirty days. Danny Harkness seconded the motion. Motion passed unanimously.

Agenda Item 12: Discuss items for placement on next meeting agenda.

Communications

Doing Taxes – Terre McLemore

Complaints Addressed

Agenda Item 13: Adjourn. Don Parmer made a motion to adjourn. Danny Harkness seconded the motion. Motion passed unanimously.

Meeting adjourned at 7:25 P.M.

Board Vice President Signature

Board of Director Signature