

SOUTHWEST MILAM WATER SUPPLY CORPORATION
BOARD OF DIRECTORS MEETING
April 18, 2022

1. *Pledge of Allegiance*

Invocation (Both recited at the Annual Meeting)

2. *President Called Meeting to Order 8:03 p.m.*

Present: Kit Worley, Thomas Nelson, Ricky Stewart, Bob Wilson, Gary Oslick, James Cargill, Lee Pelzel, Mike Offield and Robert VonGonten

Absent:

3. *Public Comments. None.*

4. *Approval of March 21st, 2022, minutes. Motion to accept the minutes made by Bob Wilson, seconded by Mike Offield – motion passed.*

5. *Profit & Loss Statement, Profit & Loss Year to Date Comparison, Profit & Loss Previous Year Comparison, and Profit & Loss Detail for March 2022. Reviewed and Discussed. Motion to accept made by Thomas Nelson, seconded by James Cargill – motion passed.*

6. *Review Balance Sheet and Cash Flow Statement for March 2022. Reviewed and Discussed.*

7. *Review and Approve Corporations Investments. Reviewed and Discussed. Discussed the CoBank Loan for \$2 million; will transfer to Edward Jones and open a checking account with \$500,000.00, 3-month CD's with \$500,000.00 and 6-month CD's with \$1,000,000.00. Payments are projected to begin soon and will be a 20-year note. Discussed the additional reserve amount needed to cover the loan.*

8. *Review Director's Report and Past Due List for March 2022. Reviewed and Discussed.*

9. *Transfers & New Memberships. Reviewed and Discussed.*

10. *Discuss for Action: Corporations 2021 Audit. Bob Wilson discussed his opinion of the Audit; all is in order, good growth, liabilities have gone down, very conservative and in very good shape. Christine Wells with Brockway, Gersbach, Franklin and Neimeier agreed with Bob and briefly discussed our financial position and that we have been smart about choices and debt, all positive. James Cargill expressed that he is very proud of Southwest Milam WSC. Motion to accept the Audit made by Ricky Stewart, seconded by Robert VonGonten – motion passed.*

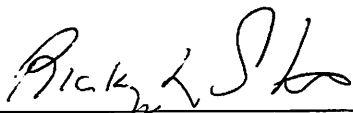
11. *Discuss for Action: Reorganization of the Board-Election of Officers, Resolution for signature authorization on Corporation checks, Appointment of Credentials Committee. Motion made to keep officers the same and pass resolution made by James Cargill, seconded by Mike Offield – motion passed. Discussed the Credentials Committee; Board agreed to defer until next month.*

12. *Discuss for Action: Scott Senteney's request for service to a subdivision without a non-standard service agreement or developer's easement document. Discussed that Mr. Senteney has done 3 to 4 developments over the years with us and that this time he did not complete the non-standard and states that he cannot sign the agreement or easement because he doesn't own the subdivision anymore. He indicated that he did not know that it was needed since water was already in place. Discussed that all property owners could sign with Mr. Senteney. He is willing to buy all 6 meters. Briefly discussed the legal aspect of having all owners and the developer sign the non-standard. Board agreed that we should move forward with having all owners and developer sign. Motion to accept made by James Cargill, seconded by Lee Pelzel – motion passed.*

13. *Discuss for Action: 12" Line replacement project on FM 908 North. Discussed that we still need approx. 1,000 ft. of pipe to reach CR 304. Reviewed the current prices of pipe. Motion made to order the Ferguson pipe and to get a delivery date made by Ricky Stewart, seconded by Robert VonGonten – motion passed.*

14. *Discuss for Action: Purchase of real property. Discussed the property for the new well site. The developer, Brett Behrend, that we have been dealing with on CR 314, Milam Co has a new proposal for the Board's consideration. He agrees to pay the \$55,650.00 in line upgrades to serve his lots and deed us the 5.54 acres in exchange for 15 meters (value of \$149,515.20 divided by the 5.54 acres = \$26,988.30 per acre). The depth in that area is approx. 1,000 to 1,200 ft. Discussed that Bluebonnet Electric is still on board and the flow and pumpage limits. Motion made to make the deal made by Lee Pelzel, seconded by Bob Wilson – motion passed.*

15. *Discuss for Action: Change order to 908 Plant contract-replace cast iron pump discharge heads with steel. Bradley Loehr with Befco Engineering discussed the change order and the reason for the change order; cast iron discharge heads to steel discharge heads. This would result in a \$28,000.00 increase. The Board reviewed and discussed. Motion to accept made by Robert VonGonten, seconded by Mike Offield – motion passed.*
16. *Discuss for Action: Filling the new position of Assistant Manager. Discussed the applicant, Clay Pelzel. Briefly reviewed his qualifications. The Board agreed that Ken Hall, General Manager, has the authority to hire.*
17. *Manager's Report:*
- *Larry Laferre-Letter was sent out after March meeting, called 2 weeks later and left message to confirm if the letter was received, no response. Discussed mailing the check for \$2,000.00 that was agreed by the Board.*
 - *Employees-A couple of employees have been off due to surgery. Kaeley is returning part time and Earl is on light duty.*
 - *River Ridge Subdivision-Just North of Minerva on Hwy 77, still working on this, the number of lots is now 35.*
 - *SLR Properties (Alcoa)-Currently have a 2" meter and 100 GPM capacity, requesting an additional 200 GPM capacity. Waiting on their response to line upgrade quote.*
 - *2021 POS-GCD Grant-Phase 3 of Praesel Addition, last section to replace, complete.*
 - *908 Plant Upgrades-Contractor is working on submittals and coordinating parts delivery.*
 - *Anthis Well-The 3 service pumps are becoming undersized. One has to be pulled for rebuild, we have a larger, more GPM pump on order to replace the poorest performing pump.*
 - *Birkhead + Anthis Wells-Plan to get bids on seal coating the inside of the concrete clearwells, cracks have developed and are seeping water.*
 - *Sandoval Plant-Fill volume is deficient, need larger pumps at either Thorndale or 908 Plants or both. Also, larger pipes from both plants to Sandoval.*
 - *Lina Plant-The distribution pumps have reached capacity and will need to be upgraded as soon as possible.*
 - *Pipeline projects to start-FM 486 going east from San Gabriel, Burleson Co, FM 487 going northwest from FM 1712, CR 455/459 in Milam Co-8" pipe, FM 3242 in Milam Co-6" pipe.*
 - *Capital Improvements.*
18. *President's Report:*
19. *Discussion of any item to be included on next agenda:*
Meeting adjourned at 9:32 p.m.



SECRETARY/TREASURER

05-16-22

DATE