

SOUTHWEST MILAM WATER SUPPLY CORPORATION
BOARD OF DIRECTORS MEETING
March 20, 2023

1. *Pledge of Allegiance*

Invocation

2. *President Called Meeting to Order 6:00 p.m.*

Present: Kit Worley, Thomas Nelson, Ricky Stewart, Bob Wilson, Gary Oslick, James Pesl, Larry Gilbreath, Mike Offield and Robert VonGonten

Absent:

3. *Public Comments. None.*

4. *Approval of February 20th, 2023, minutes. Motion to accept the minutes made by Bob Wilson, seconded by Thomas Nelson – motion passed.*

5. *Profit & Loss Statement, Profit & Loss Year to Date Comparison, Profit & Loss Previous Year Comparison, and Profit & Loss Detail for February 2023. Reviewed and Discussed. Motion to accept made by Ricky Stewart, seconded by Mike Offield – motion passed.*

6. *Review Balance Sheet and Cash Flow Statement for February 2023. Reviewed and Discussed.*

7. *Review and Approve Corporations Investments. Reviewed and Discussed. Discussed that a CD with Edward Jones at Barclays Bank will mature in March and that the new \$3mil Cobank Loan will need a reserve CD for \$125,000.00 in place by December 31, 2024.*

8. *Review Director's Report and Past Due List for February 2023. Reviewed and Discussed.*

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

10. *Discuss for Action: City of Thorndale wholesale water rate & request for GPM increase. The City of Thorndale requested in an email the need for an additional 250 to 500 GPM extra due to growth. The Board discussed that we would need an estimate from our engineer for what it would cost for engineering to get the City of Thorndale 250-500 GPM extra. We then could contact the City of Thorndale with that estimate and request that they assist with the cost of engineering before moving forward. Mr. Worley requested that when the engineering estimate is received that he is contacted so he can discuss it with the Board. If the Board agrees, we can move forward with notifying the City of Thorndale by sending them a letter; Mr. Worley would like to review the letter before it is sent. The Board reviewed and discussed the water rate history, the 3-year average that is recommended by the Rate Specialist and the 5-year average. The rate can only be changed in the month of March. The 3-year average is calculated at \$2.89 / 1,000 gallons. Motion made to accept the 3-year average of \$2.89 / 1,000 gallons as recommended by the Rate Specialist formula made by Ricky Stewart, seconded by Thomas Nelson – motion passed.*

11. *Discuss for Action: Fire flow request from Milam County Fireman's Association. Judge Bill Whitmire is present and discussed the need for more flow line devices; this may can be achieved as we add new lines in subdivision areas to assist with local fire departments. Discussed that we do have flush valves and hydrants in areas that have been used in the past. The Board briefly discussed and agreed to look into this. No action taken.*

12. *Discuss for Action: CoBank Loan Documents. Reviewed and discussed the loan documents for the \$3mil loan; the instruction letter, incumbency certificate, promissory note and security agreement. These documents need to be signed by the three officers: Kit Worley, President, Thomas Nelson, Vice-President and Ricky Stewart, Secretary/Treasurer. Once these are signed, they can be sent to our attorney for review, and then the attorney will sign an opinion of counsel. When all is received, we can email copies and mail in the originals. Motion made to proceed with the CoBank Documents made by Robert VonGonten, seconded by Gary Oslick – motion passed.*

13. *Discuss for Action: Corporations 2022 Draft Audit. The Board received a copy of the 2022 Draft Audit for their review and can contact the Auditor with any questions or concerns by March 31st so that the 2022 Final Draft can be issued.*

14. *Discuss for Action: Preparations for Annual Meeting. Reviewed and Discussed. No action taken.*

15. *Discuss for Action: Approval to go out for bids on new excavator. Discussed the need to replace our 2011 Bobcat E80 Excavator due to age and mechanical issues. A new gooseneck trailer may be needed as well to accommodate a bigger piece of equipment dependent upon bids. Discussed the possibility of renting or buying a used replacement. Motion made to go out for bids made by Bob Wilson, seconded by Robert VonGonten – motion passed.*

16. *Manager's Report:*

- *908 Plant Upgrades-Blasting has been completed and painting has started.*
- *CoBank-Received loan documents; after Board approval they can be sent to attorney for review.*
- *CR 304-All pipe installed, pressure reducer received, waiting for vault to finish install.*
- *TCEQ violation-Public notice sent on February 22, 2023, of the Lead & Copper violation.*
- *Birkhead VFD-The new VFD for pump #2 has been received. Jeff Zapata is working to schedule install.*
- *Current projects-CR 414, Williamson Co-8" pipe upgrade, FM 486 going east from San Gabriel, CR 455/459, Milam Co-8" pipe, FM 3242, Milam Co-4" pipe.*
- *Capital Improvements 2023.*

17. *President's Report:*

18. *Discussion of any item to be included on next agenda.
Meeting adjourned at 9:10 p.m.*

Ricky L. Stearn
SECRETARY/TREASURER

4-17-23
DATE