

SOUTHWEST MILAM WATER SUPPLY CORPORATION
BOARD OF DIRECTORS MEETING
October 17, 2022

1. *Pledge of Allegiance*

Invocation led by Secretary/Treasurer, Ricky Stewart

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

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

Absent: James Cargill and Lee Pelzel

3. *Public Comments. None.*

4. *Approval of September 19th and 27th, 2022, minutes. Motion made to accept the minutes made by Bob Wilson, seconded by Gary Oslick – motion passed.*

5. *Profit & Loss Statement, Profit & Loss Year to Date Comparison, Profit & Loss Previous Year Comparison, and Profit & Loss Detail for September 2022. Reviewed and Discussed. Motion to accept made by Ricky Stewart, seconded by Robert VonGonten – motion passed.*

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

7. *Review and Approve Corporations Investments. Reviewed and Discussed.*

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

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

10. *Discuss for Action: Mr. Barry Parker's meter request. Barry Parker present to discuss his FM 908 subdivision phases. He has one purchaser that has purchased 2 lots and the buyer does not need the 2nd meter. Further went into detail about the final Phase 3. Barry Parker is requesting that the Board approve this extra meter to remain at its location and then be moved to Phase 3 when and if needed. He is willing to pay for the monthly charge until it is ready to be moved and the move meter fee. If he does not end up completing Phase 3 then he will disconnect the meter. Motion made for Mr. Parker to pay the monthly minimum on the extra meter until such a time to start Phase 3 to move the meter and pay the move meter fee and if it doesn't happen, he will disconnect made by Robert VonGonten, seconded by Ricky Stewart – motion passed.*

11. *Discuss for Action: Committees Report to the Board. GM Job Description Committee Report-Met today to discuss the job description; the Board reviewed. GM Advertising Committee Report-Discussed places to advertise and the cost. GM Review Application Committee Report-Have had a few discussions over the last month. No action was taken. Mr. Kit Worley, President made an announcement to the Board that (2) two Directors are resigning from the Board effective today due to a conflict of interest: Mr. James Cargill and Mr. Lee Pelzel. Mr. Worley read outload the written resignations that were received. Motion made to accept the resignation made by Bob Wilson, seconded by Ricky Stewart – motion passed. Discussed that the seats do not need to be filled right of way. See attached resignations.*

12. *Discuss for Action: Increased compensation for employees most affected by vacancy of General Manager. Reviewed handouts. The Board went into an Executive Session at 7:29 pm and reconvened at 7:50 pm. The Board agreed to come back on November 1st for a special meeting at 6 pm to further discuss.*

13. *Discuss for Action: Assistant Manager Clay Pelzel's 6-month review. The Board agreed to come back on November 1st for a special meeting at 6 pm to further discuss.*

14. *Discuss for Action: TCEQ Violations & CIP Projects. Discussed that we need to file an extension on the 2 TCEQ violations; a possible 1 year on the 908 Plant violation and a possible 5 year extension on the Rockdale Well violation. Discussed what improvements are needed to be in compliance. We can only file an extension once. The deadline to file an extension is in November. Further discussed timelines and cost. Briefly discussed additional upgrade projects. Discussed the need for a Capital Improvement Committee that would meet with Bradley; Mr. Robert VonGonten and Mr. Mike Offield were appointed. Discussed pending projects, if we need to hire contractors, the 908 project, SLR and the timeline on some engineering. Briefly discussed grant limitations and a loan from CoBank to order pipe needed. Bob Wilson and Clay Pelzel can meet to discuss.*

15. *Discuss for Action: Purchase of Shop Building. The Board reviewed pictures of the (2) two shop buildings. Discussed moving expenses of \$8,000.00 to \$10,000.00 for each building and the cost of \$6,000.00 to purchase both buildings; could pay \$8,000.00 for both. Discussed the age of the buildings and the timeline on when the buildings could be moved. Discussed being able to inspect the buildings. The Board agreed that Monday at 10:30 am would work for the Board to inspect and take possible action to purchase. An agenda would be required.*
16. *Discuss for Action: Corporation's Water Rates. The Board agreed to move to the November 1st special meeting.*
17. *Discuss for Action: Wholesale water contracts with SLR Properties. The Board agreed to postpone.*
18. *Discuss for Action: Audit Proposal. Reviewed and Discussed the proposal for \$16,100.00. Motion made to accept made by Ricky Stewart, seconded by Bob Wilson – motion passed.*
19. *Discuss for Action: Company Christmas Party-Date, Time, Location & Details. Reviewed and Discussed the location of Apache Pass and some dates. Motion made to check on the 2 dates of December 7th and 14th and amended to add December 21st made by Bob Wilson, seconded by Ricky Stewart – motion passed.*
20. *Manager's Report:*
 - *River Ridge/Lina Plant/908 Plant*
 - *Tank Paintings / Repairs-Start with categorizing which tank to rehab first and then bring to the Board for approval to begin engineering / bidding process.*
 - *Sandoval Plant-Engineering is being done on Ground Storage tank sizing and cost.*
 - *Rockdale Well-Pump and pressure tank are undersized. (TCEQ violation)*
 - *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.*
 - *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 2022*
21. *President's Report:*
22. *Discussion of any item to be included on next agenda:*
Meeting adjourned at 9:35 p.m.

Ricky Stewart
SECRETARY/TREASURER

11-21-22
DATE

Mr. Kit Worley, President
Southwest Milan WSC

RE: Nepotism

Mr. Worley:

I was reading the Southwest Milan WSC manual Ken passed out last meeting when I found the Conflict of Interest Policy. In it nepotism is addressed. I was unaware of this policy. With my son applying for the manager's job, I feel I must resign my position as Director on the Southwest Milan Board of Directors for him to be qualified to be considered to be an employee of Southwest Milan WSC.

I have enjoyed my time on the Board and my fellow Directors. I feel Heath will be good for SWM WSC if you decide to hire. So I therefore tender my resignation to the Southwest Milan WSC Board. I thank you for the privilege to have served on your Board.

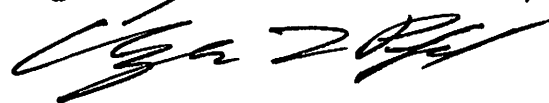
Respectfully
James F. Cargill

10-17-22

To south west milam water board.

It has come to my attention that it is against policy for an immediate ~~member~~ family member of a board member to be employed by SWMW.

Therefore I am resigning immediately. Wish you all the best, ~~and trust that~~

Clayton L. Pelzel


10-17-22