

ANNUAL MEMBERS MEETING OF LAKE PALO PINTO AREA WATER SUPPLY CORPORATION

The meeting for the members of LPPAWSC will be held at the Lone Camp Community Center, located at 7236 FM 4 S., Lone Camp, Texas. The meeting will start at 1:30 pm on the 11<sup>th</sup> of March, 2017.

Members attending this meeting need to sign in at the door. If you wish to speak on a subject or ask a question concerning a certain issue, you must sign in on a sheet, your name and subject matter. This sheet is located at the Questions for Board table.

The Agenda for the Annual Membership Meeting is as follows:

- I. Call the meeting to order at 1:30 pm, by Bruce Rogers, President of the Board of Directors
- II. Prayer by Karen Koonsman, Sec./Treas. of the Board of Directors
- III. Pledge of Allegiance, led by Harry Romine, Vice President of the Board of Directors
- IV. Credential Committee, Karen Koonsman will announce the number of Members present at the meeting.
- V. Sec/Tres, Credentials Committee Chair, Karen Koonsman, reports a quorum is established.
- VI. Reading and approval of March 12, 2016 Annual Members/Stockholders Meeting
- VII. Sec/Tres, Credentials Committee Chair, Karen Koonsman, introduces Election Auditor
  - A. Election Auditor reads Unopposed Resolution
  - B. Comments from the newly elected directors
- VIII. Update Reports
  - A. Auditor report on system finances, Boucher, Morgan & Young, Kim Knox, CPA
  - B. Engineer Report on projects, Enprotec, Hibbs & Todd, Inc., Keith Kindle/Colden Rich
  - C. Report of the President
  - D. Report from Finance, Harry Romine.
  - E. Report of System Manager, Mark Griffin
- IX. Open for Public Forum, comments from membership, limit of three minutes per member, per subject matter. If you wish to make comments, you will need to sign in at the Questions Table and designate in writing the question or comment on the form provided.
- X. Closing Comments by the President
- XI. Adjournment of the Annual Stockholders Meeting

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A Special Meeting of Directors will follow adjournment of the Annual Stockholders Meeting

- I. Orientation of newly elected directors

# **LAKE PALO PINTO AREA WATER SUPPLY CORPORATION**

**410 P.O. BOX GORDON TX, 76453**

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The most significant event for the LPPAWSC in 2016 has been the effort to begin our water treatment plant upgrades. After final plans were approved by the Texas Water Development Board (TWDB) the low bidder, Associated Construction Partners (ACP) of Boerne, Texas ordered parts and began construction this fall. These needed and long awaited upgrades and updates to our facility will be completed early in 2017.

Earlier in the year, one of the two old utility trucks owned by LPPAWSC was lost due to flooding that occurred during heavy rains in the spring. A new truck was purchased from Stowe Ford in Gordon for \$50,000, after going through the required bidding process. This expense was covered using money from our contingency fund. Coincidentally, the board had previously approved the purchase of a new truck due to the age and cost of maintaining the one we lost. Insurance covered the current value of the old truck, approximately \$3,000.

During 2016, notices were received by all our customers referencing trihalomethane and haloacetic acid Maximum Contamination Levels (MCL's) having been exceeded in some quarterly samples. This, as before, is a result of two main factors: decay of vegetation being submerged when the lake refilled after the drought, and the treatment we are required to give the raw water to kill pathogens. I want you to know that this problem continues to have the attention of the LPPAWSC board and has been researched by our engineering consultant. As a result, part of the plant modification project approved by the TWDB includes a change in the way raw water is treated. This new treatment method is designed to reduce the concentration of these byproducts in treated water. About \$75,000 from our construction loan is being spent to address this issue.

As many of you know, lead in drinking water has been a news story in different parts of the country. This year the Texas Commission on Environmental Quality (TCEQ) increased our required sampling frequency for lead in drinking water. We have not had a problem with lead in our water in the past. All samples taken so far have verified that we continue to have no problem with lead in water we produce.

Throughout the year, our employees have maintained and operated the system to provide uninterrupted service. This is a noteworthy accomplishment in light of the fact that construction and modifications to the existing plant configuration are ongoing.

In 2013 the Texas legislature changed the procedure for electing members to WSC (Water Supply Corporation) boards. All open positions for 2017 were unopposed in our WSC; therefore we will not have an election in 2017. The vacant positions were filled by the unopposed candidates whose names were submitted (TX Water code Sec 67.0055).

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The board has conducted a careful review of our finances. Each year inflation increases our personal cost of living, and these effects are seen each year in the expenses necessary to keep your water company maintained and in continuous operation. The increase in our base rate to \$58.96 reflects the 2016 US government CPI as of December 2016 of 2% plus 2% (4% total) to continue phasing in of our loan repayments. The normal rates for water usage will also increase 4% (up to 10000 gal) to 6% (over 10000 gal). The new 2017 rates are as follows:

Base rate (5/8" to 3/4" meter)	\$58.96
0 to 10000 gallons	\$5.28 per 1000
10001 to 20000 gallons	\$7.14 per 1000
20001 to 30000 gallons	\$8.48 per 1000
30001 to 40000 gallons	\$9.84 per 1000
40001 to 50000 gallons	\$11.16 per 1000
over 50000 gallons	\$12.50 per 1000

For your information, the raw water we process and send to our customers is purchased from Palo Pinto Municipal Water District #1, the owners of Lake Palo Pinto.

All the above items will be addressed at the annual stockholders meeting.

  
Bruce Rogers  
President, LPPAWSC Board of Directors

Meeting date: March 11, 2017  
Time: 1:30 PM  
Place: Lone Camp Community Center