

LAKE PALO PINTO AREA WATER SUPPLY CORPORATION

Minutes for Annual Meeting March 11, 2017

The LPPA WSC held its annual meeting on March 11, 2017, at 1:30 PM at Lone Camp Community Center - 7236 FM4, Lone Camp. The meeting was called to order by President Bruce Rogers. Secretary/Treasurer Karen Koonsman offered a prayer followed by VP Harry Romine leading the Pledge of Allegiance. Directors present were Mark Green, Harry Romine, Bruce Finley, Laura Jones & Karen Koonsman. Rick Best was unable to attend. It was announced that there were 22 members present and Credentials Committee Chair, Karen Koonsman, stated that a quorum was established.

The minutes for March 2016 were read by members present. A motion was made by Marve Griffin with a second by Jimmy Jones to accept the minutes as presented. A voice vote was taken and the motion passed. Rita Finley was introduced as the Election Auditor and read the Unopposed Resolution. Newly elected directors were Bruce Finley (place 7), Mark Green (place 6), Harry Romine (place 5) and Rick Best (place 2).

Kimberly Knox, CPA with Boucher, Morgan & Yong, presented the auditor's report for years ended with December 31, 2016 & 2015. Highlights were as follows:

- Total Current Assets - \$1,066,262 Total Fixed Assets - \$4,667,549
- Total Assets - \$5,855,380 [accumulated depreciation - \$(4,095,322)]
- Total Liabilities - \$2,619,474 Total net assets - \$3,235,906
- Total liabilities & net assets - \$5,855,380

Keith Kindle from Enprotec, Hibbs & Todd, Inc. handed out a Project update discussing background, project overview and current update; then he answered any questions.

Bruce Rogers highlighted the key points of President's letter distributed to the membership. Highlights included:

- LPPAWSC plant expansion planning and construction began.
- Truck was replaced due to flooding.
- Continued uninterrupted service throughout construction.
- New water rates

The finance report was presented by Harry Romine. He noted that although the corporation did well over the past year, it was not as good due to the severe drought with water restrictions. Phasing in higher rates continue to be implemented to repay the improvement loans.

- Revenues: budgeted - \$520,000 with actual - \$615,000
- Expenses: budgeted - \$559,000 with actual - \$572,000
- Net income: budgeted - (\$39,000) with actual - \$43,000
- Corporation sold about 0.7 million gallons less than previous year
 - 2016 water sold - 21.3 million gallons
 - 2015 water sold - 18.6 million gallons

Mark Griffin, Plant Manager, reported that the plant expansion remains the major focus of staff including Debra Stowe and Brandi Crawford. LPPAWSC currently has 636 meters. Mark addressed a question about 'How do you not know where a break in the water line is?' There are 2 different types of breaks – 1) a TOTAL BREAK as what happened at causeway line back in May/June rains which required a shutdown of the pump and 2) A BLOWING OUT – not a full break as what happened at Joe's Creek. Due to the lines being under high water in both areas, it took a little time to find the breaks.

Public comments were made by Paul Ondo who asked what it cost to get new service. \$3000 w/o a bore.

In closing, Bruce Rogers thanked those that participated in the election and those that attended. A motion was made by Jimmy Jones with a second by Brad Mobley to adjourn. The motion carried. Meeting was adjourned at 2:10 PM.

Respectfully submitted,

Karen Koonsman
Secretary/Treasurer
LPPA WSC