

Lake Palo Pinto Area Water Supply Corporation

LPPAWSC Office 4500 N Lakeview Drive, Palo Pinto TX 78484

Board of Directors Regular Meeting, Monday, April 11, 2022 at 2:00 PM

- 1) The meeting was called to order by Karen Koonsman at 2:03 PM
- 2) The prayer was given by Harry Romine.
- 3) Roll call of directors: Wayne Campaign, Paul Coventry, Rick Best, Harry Romine and Karen Koonsman were present. Laura Jones and Bruce Rogers were absent. We had a quorum.
- 4) No guests were present for this meeting.
- 5) Approval of the March 14, 2022 regular meeting minutes. A motion was made by Rick Best to accept the March 14, 2022 regular meeting minutes and seconded by Wayne Campaign. The motion carried.
- 6) Approval of Financial Statements and authorize payment of expenditures. The data was entered from the furnished Balance Sheet and P & L dated March 31, 2022. A detailed examination was made by the board and questions were answered checks signed.

Checking/Savings	
• FNB of Gordon Capital Improvement	157,884
• CD #1 10yr Reserve Account	61,106
• 10yr Reserve Account (Other)	18,051
• Total 10yr Reserve Accounts	79,157
• Cash Drawer	168
• Reserve Account for TWBD Loan #2	99,654
• Special Reserve Account – 10yr	13,206
• Contingency and Equipment (Santo)	146,262
• LPPA Checking Account	125,475
• Total Checking and Savings	621,806
• Total Assets	621,806
• Liability and Equity	0.00

A motion to accept the Financial Statements and Pay Expenditures was made by Rick Best and seconded by Wayne Campaign. The motion passed unanimously.

- 7) The Managers Report was given by Chase Lerma. The data is from the System Totals Report dated March 31, 2022. The water loss figures were good this last month. A small leak on the new 3" line was repaired by the contractor.

A) Systems Report

• Water pumped this month	2,972,100 gal.
• Water sold this month	1,961,690 gal.
• Water used for fire and flushing	830,110 gal.

• Water loss	180,300 gal.
• Water loss (%)	6.07%
• Total number of accounts	704
• Average usage for active members	2,779 gal.
• Average charge for active members	\$86.81
• High water usage revenue	5,080
• Total current charges	\$63,159
• Total receivables	\$48,498

B) Work orders were as follows: Register changeouts-0, Meter changeouts-12, new meters-1, Transfers/Final read-4, Low pressure-1, Leaks-3, Water quality complaint (air, chlorine, debris, etc.)-2, Line locates-7, Re-services-1, Meter box changeouts-0, Customer service inspections-3, PRV installation-0, Service trip/Customer service-1, Disconnects-0, Reconnects-0, Install check valve-0, High usage-0, Bulk water-0, Meter Verification-0, for a total of 35 orders.

C) Developers: Palo Vista Lakeview Phase 5 – 12 meters.

D) Training: James has Water Lab Training in May in Abilene.

E) New Members: CP Nelson Properties – 3113 N. Lakeview Dr.

F) Transfer of Membership:

1. J. Edwards – D. Miller
2. T. Jones – W. Wolfe
3. J. Winbourn – D. Wilkes
4. D. Powell – D. Labrecque

G) Disconnected Service none

H) Re-Connect Services none

I) Re-Services: 1. B. Carlson – 5897 FM 4

A motion to accept the manager’s report was made by Harry Romine and seconded by Rick Best. The motion passed unanimously.

8) Discussion and consideration of the following items:

A) The scrap brass was sold for \$800.00 and this money was deposited into the LPPA Checking Account.

B) The Infrastructure Committee followed up on Mr. Salis’ concern by visiting the work site and discussing the issue with the contractor, who had offered to further clean up the worksite and sow grass in the area. Mr. Salis followed up with a letter dated April 1, 2022 offering to sign a Hold Harmless Release of Liability Agreement in exchange for services and materials involved in setting a new meter. Chase discussed that option with our consulting firm, eHT, which advised

us that it was neither prudent nor permissible within the terms of our loan to provide without charge any labor, materials or services for which we have an established fee. A motion was made by Rick Best and seconded by Wayne Campaign to accept our consultant's advice. The motion passed unanimously. Chase will draft a letter to Mr. Salis in response for the Infrastructure Committee's review before sending it to Mr. Salis.

C) The billing/leak update is not yet resolved but the member has been informed of what she needs to do to resolve the issue. The item is tabled.

D) Bank Card Update: The last of the needed documents has been submitted.

E) The board has reviewed the Annual Audit of Financial Statements by Boucher, Morgan and Young for the year 2021. A motion to accept the audit was made by Rick Best and seconded by Harry Romine. The motion passed unanimously.

F) Inflation Effects and Response: All employees are monitoring expenses and will continue to report to the board as needed. Vendors have sent notices of pricing and handling increases.

G) Finance Committee Report: The committee feels that the present general revenue we have will be sufficient to take us through this year without changes.

9) There were no public comments at this meeting.

10) Discussion of items to be included in next month's meeting:

1. Insurance renewal.
2. Holiday changes for the employees.

11) Open Discussion

12) A motion was made to adjourn by Rick Best and seconded by Harry Romine. The meeting was adjourned at 2:58 PM.

The next regularly scheduled meeting of the LPPAWSC board of directors will be held at the LPPAWSC office at 4500 N. Lakeview Dr. Palo Pinto, Texas 76484, on Monday May 9, 2022 at 2:00 PM.