

Lake Palo Pinto Area Water Supply Corporation

LPPAWSC Office 4500 N Lakeview Drive, Palo Pinto TX 76484

Board of Directors Regular Meeting, Monday, December 12, 2022, at 2:00 PM

- 1) The meeting was called to order by Karen Koonsman at 2:05 PM.
- 2) The prayer was given by Karen Koonsman.
- 3) Roll call of directors: Harry Romine, Laura Jones, Bruce Rogers, Wayne Campaign, Karen Koonsman and Paul Coventry were present. Rick Best was absent. We had a quorum.
- 4) Guests: There were no guests at this meeting.
- 5) Approval of the November 14, 2022 regular meeting minutes. An error was found and corrected of a duplicate address in (E). A motion was made by Wayne Campaign and seconded by Laura Jones to approve the November 14, 2022 minutes. The motion passed unanimously.
- 6) Approval of Financial Statements and authorize the payment of expenditures. The data was entered from the furnished Balance Sheet and P & L dated November 30, 2022. A detailed examination was made by the board and questions were answered.

Checking/Savings

| | |
|------------------------------------------|---------|
| 1090 – Cash Drawer | 168 |
| 1010 – Special Reserve Acct – 10 YR | 13,206 |
| 1020 – 10 YR Reserve Account | 18,312 |
| 1021 – CD #1 10 YR Reserve | 61,042 |
| 1000 – Reserve Account for TWBD Loan #2 | 99,654 |
| 1050 – LPPA Checking Account | 208,540 |
| 1040 – FNB of Gordon Capital Improvement | 145,879 |
| 1030 – Contingency and Equipment (Santo) | 185,844 |
| Total Current Assets | 732,646 |
| Total Assets | 732,646 |
| Liabilities and Equity | 0.00 |

A motion to accept the Financial Statements and pay expenditures was made by Laura Jones and seconded by Bruce Rogers. The motion passed unanimously.

- 7) The Managers Report was given by Chase Lerma. The data is from the System Totals Report dated November 30, 2022

A) Systems Report

- Water pumped this month 3,239,800 gal.
- Water sold this month 2,549,340 gal.
- Water used for fire and flushing 241,130 gal.
- Water loss 679,330 gal.

| | |
|-------------------------------------|------------|
| • Water loss (%) | 19.66% |
| • Total number of accounts | 720 |
| • Average usage for active members | 3,531 gal. |
| • Average charge for active members | \$91.21 |
| • High water usage revenue | \$5,519 |
| • Total current charges | \$67,193 |
| • Total receivables | \$58,299 |

B) Work orders were as follows: Register changeouts-0, Meter changeouts-1, Data log – 0, new meters-0, Transfers/Final read-2, Low pressure/no water -1, Leaks-3, Water quality complaint (air, chlorine, debris, etc.)-0, Line locates-7, Re-services-0, Replace curb stop-0, Meter box changeouts-0, Customer service inspections/unlock meter-0, PRV installation-0, Service trip/Customer service-2, Disconnects-0, Reconnects-0, Install check valve-0, High usage-0, Meter Verification-0, for a total of 16 orders.

C) Developers: Inquires but no definite developments.

D) Training: No training scheduled over the holidays.

E) New Members: None this month

F) Transfer of Membership:

1. 616 Dunn Dr./ R. Camfield-T. Rokus
2. 104 Cactus Lane/ J.C. Davis- J.M. Davis

G) Disconnected Service: None this month.

H) Re-Connect Services: None this month.

I) Re-Services: None this month.

A motion to accept the manager’s report as presented was made by Laura Jones and seconded by Wayne Campaign. The motion passed unanimously.

8) Discuss and consider the following items:

A. Harry Romine, Chair of the Budget committee outlined the projected expenditures for the coming year. Mrs. Criswell has made a lot of progress creating detailed categories for expenditures making projections easier. Capital improvements are high on the boards list of priorities. The quote projections from a couple of years ago are not even close to the bids today. We have funds and plan to start with the Dunn Dr. water main replacement next year. We want to do the work without taking out a loan if we can. Repairs and improvements were discussed. The committee’s recommendations were accepted as a motion. The motion was seconded by Wayne Campaign and passed unanimously.

B. The Budget Committee recommends a limited rate increase. The base rate and the water volume rates up to 20,000 gallons per month will not increase. The water volume rates for the top four

tiers will increase. The committee also recommends that some fees increased to cover the services we provide. A motion to accept the budget committee’s new rate increase was made. A second from Bruce Rogers was made and the motion passed unanimously.

| 2023 Proposed Rate Increase | | | |
|-----------------------------|--------------|--|----------|
| Meter size | Current Rate | | Increase |
| 3/4" & 3/8" | \$66.23 | | none |
| 1" | \$153.28 | | none |
| 1 ½" | \$306.53 | | none |
| 2" | \$490.44 | | none |

| Volume | Current Fee | Percent Increase | New Fee |
|---------------|-------------|------------------|---------|
| 0-1,000 | \$5.88 | 0% | \$5.88 |
| 1,001-10,000 | \$8.53 | 0% | \$8.35 |
| 10,001-20,000 | \$10.10 | 15% | \$11.62 |
| 20,001-30,000 | \$11.72 | 20% | \$14.06 |
| 40,001-50,000 | \$13.55 | 25% | \$16.94 |
| Over 50,000 | \$15.17 | 30% | \$19.72 |

A proposal was made to make the rate increases effective January 15, 2023. A motion to accept was made by Harry Romine and seconded by Bruce Rogers. The motion passed unanimously.

A motion to accept the fee increases proposed by the budget committee as presented in the meeting packet was made. The increases will take effect immediately. A motion to accept was made by Laura Jones and seconded by Wayne Campaign. The motion passed unanimously.

| 2023 Proposed Fee Schedule | | | |
|-----------------------------|-------------|---------------------------------|-----------------------------|
| Fee Purpose | Current Fee | New Fee | Comment |
| Membership | \$250.00 | \$275.00 | |
| Engineering | \$150.00 | \$150.00 | |
| Equity Buy-in | \$2,100.00 | \$2,100.00 | |
| Easement Filing | \$60.00 | \$60.00 | |
| Administrative | \$125.00 | \$150.00 | |
| Customer Service Inspection | \$75.00 | \$75.00 | |
| Customer History Report | \$50.00 | \$70.00 | |
| Late Payment | \$15.00 | \$20.00 | |
| Transfer | \$250.00 | \$275.00 | |
| Meter Test | \$100.00 | Cost of test + LPPAWSC Labor | If meter is not faulty |
| Owner Notification | \$15.00 | \$25.00 | |
| Re-connect | \$75.00 | \$75.00 | |
| Return Check | \$25.00 | \$25.00 | Plus bank fees |
| Service Trip | \$60.00 | \$65.00 | Plus labor after first hour |
| Labor | \$50.00 | \$55.00 | |

C. Bulk Water Agreement: Management has proposed a updated Bulk Water Purchase Contract. The contract will state the cost per 1000 gallons will be sold at the highest tiered rate at the time the water is taken. Payment and usage details will be formally stated in the document. A motion was made by

Laura Jones to accept the Bulk Water Purchase Contract and seconded by Wayne Campaign. The motion passed unanimously.

D. Annual Meeting: The board discussed the timeline leading up to the March annual meeting. So far we are meeting the deadlines recommended by TRWA. One application packet has already been picked up.

E. CBDG Update: Our application for block grant money must be sponsored by the County of Palo Pinto. Chase Lerma has been keeping track of the Commissioners Court progress in sponsoring our application. At this time some end of year deadlines have not been met but the commissioners are working with us. Hopefully we can qualify for \$500,000.00 in grant funds.

F. Work Truck Repair: The Dealer gave a repair estimate on James's truck that was very high. They took it to a diesel mechanics shop where the repairs were also expensive but a lot less than the dealer. Chase Lerma would like to trade this truck in while it still has considerable value. He would give his diesel truck to James and get a new smaller gasoline powered vehicle for his use. No decision regarding a major purchase was made at this meeting.

G. The board met in executive session: The Personnel Committee asked the board to accept an amended recommendation. Wayne Campaign made a second and the amendment passed unanimously.

9) Public Comments: There were no public comments at this meeting.

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

1. Annual Meeting
2. CBDG Update
3. Work Truck Repair

11) Open Discussion:

12) Adjournment of meeting: A motion to adjourn was made by Wayne Campaign and seconded by Harry Romine. The motion passed unanimously and the meeting was adjourned at 4:07 pm.

The next regular meeting of the board of directors will be January 9, 2023 at 2:00 pm at the LPPAWSC office at 4500 N. Lakeview Dr., Palo Pinto, Texas, 76484.

Paul Coventry
LPPAWSC Secretary/Treasurer