

Lake Palo Pinto Area Water Supply Corporation
LPPAWSC Office 4500 N Lakeview Drive, Palo Pinto TX 78484
Board of Directors Regular Meeting, Monday, September 13, 2021, at 5:00 PM

- 1) The meeting was called to order by Karen Koonsman at 5:01 PM.
- 2) The prayer was given by Harry Romine.
- 3) Roll call of directors: Karen Koonsman, Paul Coventry, Rick Best, Harry Romine and Wayne Campaign were present and Bruce Rogers and Laura Jones were absent. We had a quorum.
- 4) Welcome of guests: Mrs. Patty Smith, a member and local resident and Mr. Eric Macha with Hilltop Securities.
- 5) Approval of the August 9, 2021 Regular Meeting Minutes. A motion to accept these minutes as written was made by Rick Best and seconded by Wayne Campaign. The motion carried unanimously.
- 6) Skipped
- 7) Approval of Financial Statements and authorize payment of expenditures. Report by Krisenda Criswell. The totals are as of August 31, 2021.

	Checking/Savings	
•	FNB of Gordon Capital Improvement	169,659
•	CD #1 10yr Reserve Account	61,145
•	10yr Reserve Account (Other)	17,858
•	Total 10yr Reserve Accounts	79,003
•	Alan Brown Project	13,713
•	Cash Drawer	168
•	Reserve Account for TWBD Loan #2	99,654
•	Special Reserve Account – 10yr	13,206
•	Contingency and Equipment (Santo)	71,113
•	LPPA Checking Account	193,459
•	Total Checking and Savings	639,974
•	Total Assets	639,974
•	Liability and Equity	0.00

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

- 8) Manager's Report given by Chase Lerma:
 - Projects are coming to completion and developer inquiries are coming in.
 - Our register replacement program included 21 change outs this last month.
 - The water loss figure was 13.33% this month on 4.5 million gallons which is in normal range of 10% to 15%. A loss figure of 10% would be a good goal.
 - In the office Kris is categorizing expenses into appropriate Quickbooks files making budgeting easier.
 - The corporation has been notified by the state that we must come up with a plan to operate our plant with emergency generator power by next year. We can power half the plant with the generators we have.

•	Water pumped this month	4,537,200 Gal.
•	Water sold this month	3,696,270 Gal.
•	Water used for fire and flushing	236,210 Gal.
•	Water loss	604,720 Gal.
•	Water loss (%)	13.33%
•	Total number of accounts	684
•	Average usage for active members	5,372 Gal.
•	Average charge for active members	\$106.70
•	Total current charges	\$74,487
•	Total receivables	\$37,438

B) Work orders were as follows: Register changeouts-0, Meter changeouts-21, New Meters-0, Transfers/Final read-4, Low pressure-0, Leaks-1, Water quality complaint (air, chlorine, debris, etc.)-1, Line locates-5, Re-services-0, Meter box changeouts-1, Customer service inspections-0, PRV installation-0, Service trip/ Customer service-0, Disconnects-0, Install check valve-0, Move meter-0, flush valve pressure check-0, High usage-0, for a total of 33 orders.

C) Developers:

1. Brown Line Extension- Clean up in progress and the site work looks tidy. The as-built drawings, test results and final bills are coming in.

D) Training: No formal training scheduled this month.

E) New Members:

- 1) J. Garcia

F) Transfer of membership:

- 1) Jones to Neil
- 2) Fallin (Brazos County Services) to Jones (DJL Consulting LLC)
- 3) Wood to Strawser

G) Disconnect Services: None

H) Re-Connect Services: None

I) Re-Services: None

A motion to accept the manager's report was made by Rick Best and seconded by Wayne Campaign. The motion passed unanimously.

9) Discuss and consider the following items:

A) We have called a meeting of the Board of Directors on Monday September 27, 2021 at 3:00 PM to review the refinance offers for the USDA loans. Mr. Erick Macha with Hilltop Securities will assist us in connecting our loans with lending institutions interested in buying them. Taking advantage of today's lower interest rates will save us thousands.

B) Review of check signers/authorized persons on bank accounts will be done next month when Krisenda will be beyond her 90 day probation period.

C) Plant Infrastructure Committee report:

Outline plans for a tie in at Love Ramp improving service on N. Lakeview Dr.

D) Update Rates and Fees:

Committee met last week to finalize a Water Leak Repair form. The object of this form is to give the member some financial relief for the lost water.

- 1) A resolution to adopt the Certification of Water Leak Repair form and guidelines as presented by the Infrastructure Committee and add it to our Tariff was made by Rick Best and seconded by Wayne Campaign. The resolution passed unanimously.

2) A motion to amend the resolution and make this Certification of Water Leak Repair effective on September 20, 2021. This policy will apply to all leaks after September 20, 2021. The motion was made by Rick Best and seconded by Wayne Campaign. The motion passed unanimously.

E) Review Billing/Leak Requests:

1) Greg Trout: We regret that the Board of Directors does not have the power to forgive payment for water that has flowed through a meter. We can offer a payment plan.

2) Jim Schroeder: We regret that the Board of Directors does not have the power to forgive payment for water that has flowed through a meter. We can offer a payment plan.

10) Public Comments:

Q. Where does our water come from?

A. We buy water from the Palo Pinto County Municipal Water District and are contracted for up to 250 acre feet per year we believe. This is really our only source because the aquifer in this area will only support small wells. Lake Turkey Peak is still years away and during the last drought Lake Palo Pinto got so low that trucking in water was seriously considered. Last year we used 95 acre feet and last month we were billed for 14.18 acre feet. Chase estimates we will use 120 acre feet this year. We have adequate water now and we have plans for water well into the future.

Q. Is there any financial relief for indigent water customers from State or local agencies?

A. Chase will look into programs available to address this issue. In the past such programs were available.

11) Items to be included next month:

- Report on the USDA loan refinances.
- Review of check signers.
- Infrastructure committee report
- Rates and fees update
- Personnel Committee Report

12) Open Discussion: None noted

13) A motion to adjourn was made by Rick Best and seconded by Wayne Campaign. The motion passed and the meeting was adjourned at 7:04 PM.

There will be a special meeting of the Board of Directors on September 27, 2021 at 3:00 PM At 4500 N. Lakeview Dr. for action on the USDA loans refinance plans.

The next regularly scheduled meeting of the LPPAWSC board of directors will be held at the LPPAWSC office at 4500 Lakeview Drive, Palo Pinto, Texas 76484 on Monday October 11, 2021 at 5:00 PM.

Respectfully Submitted

Paul Coventry

Secretary/Treasurer LPPAWSC