

Lake Palo Pinto Area Water Supply Corporation

Office 4500 N Lakeview Drive, Palo Pinto TX 76484

Board of Directors Regular Meeting May 5, 2025, at 2:00 PM

Meeting held at LPPAWSC office

1. The meeting was called to order by Karen Koonsman at 2:07 PM
2. The prayer was given by Karen Koonsman.
3. Roll Call of directors: Karen Koonsman, Rick Best, Bruce Rogers, Wayne Campaign, and Jerry Streeter were present - Laura Jones and Harry Romine were not in attendance; a quorum was established.
4. Guests: None Present
5. Public Comments (Limited to 3 minutes and one speaker per issue): None
6. Approval of April 14, 2025, Regular Meeting Minutes. A motion was made by Rick Best and seconded by Wayne Campaign. The motion passed by show of hands, 5 – 0.
7. Approval of the Financial Statement for April 2025 and authorization of expenditure payments for April. A motion to approve was made by Wayne Campaign and seconded by Rick Best. The motion passed by show of hands, 5 – 0.

Checking/Savings

Rounded to the nearest Dollar

| | Feb | Mar | Apr |
|--|------------|------------|------------|
| 1090 – Cash Drawer | \$ 168 | \$ 168 | \$ 168 |
| 1020 – 10 YR Reserve Account | \$ 23,041 | \$ 23,238 | \$ 23,456 |
| 1021 – CD #1 10 YR Reserve | \$ 61,068 | \$ 61,068 | \$ 61,068 |
| 1000 – Reserve Account for TWBD Loan #2 | \$ 99,654 | \$ 99,654 | \$ 99,654 |
| 1040 – Clearfork – Capital Improvement | \$ 179,822 | \$ 179,845 | \$ 179,867 |
| 1030 – Contingency and Equipment (Santo) | \$ 185,055 | \$ 185,077 | \$ 185,100 |
| 1050 - LPPAWSC Operating Acct | \$ 235,732 | \$ 151,765 | \$ 139,967 |
| | | | |
| Total Current Assets | \$ 784,522 | \$ 700,816 | \$ 689,280 |

8. Approval of Manager's Report, summary report provided by Chase Lerma: Following a discussion regarding the system leaks resulting from a TNMP contractor hitting a pipeline a motion to approve was made by Rick Best and seconded by Bruce Rogers. The motion passed by show of hands, 5 – 0.

System Total Report

| | Feb | Mar | Apr |
|---|------------|-------------|-------------|
| Water Pumped this month (gals) | 2,324,400 | 2,599,600 | 3,445,400 |
| Water Sold this month (gals) | 1,709,770 | 1,842,690 | 2,466,000 |
| Water Used for Plant, Fire and Flushing Line (gals) | 178,630 | 77,210 | 322,780 |
| Leaks | 95,000 | 300,000 | 100,000 |
| Water Loss | 341,000 | 379,700 | 422,780 |
| Leaks (%) | 4% | 12% | 3% |
| Loss (%) | 15% | 15% | 12% |
| Number of disconnects | 2 | - | - |
| New meter install | 1 | - | - |
| Total number of accounts | 754 | 754 | 754 |
| Average usage for active meters | 2,268 | 2,444 | 3,271.00 |
| Average charge for active meters | \$91.87 | \$ 94.55 | \$ 103.62 |
| High water usage revenue | \$3,313.54 | \$ 4,955.21 | \$ 9,311.72 |

9. Discuss and consider the following:

- A) TWDB Reserve Account – No action was taken on this item as Harry Romine wasn't present to report his findings, this will be discussed at the June Regular Board Meeting.

Kris reported the bank had confirmed the penalty for redeeming a CD prior to its expiration date was the forfeiture of 1 month's interest and earned interest can be swept monthly into an account of our choice. Currently LPPAWSC must maintain three (3) accounts to guarantee three (3) different loans. Of these accounts one is a NOW account, one is a noninterest-bearing account, and one is a CD. The board discussed investing non-CD accounts into CD accounts and whether to reinvest the monthly interest payments into the CD or whether to sweep the interest into a different account. The auditor had recommended sweeping the interest into a separate account to keep it separate from the principle. Harry Romine will verify the Auditor's recommendation and learn why she recommended that action rather than reinvesting into the CD. **No action was taken as Harry Romine wasn't present to report his findings.**

- B) Changing Bank Account Signatures – Forms were completed

Two Banking Resolutions were read into the Meeting Minutes for approval at the next Regular Meeting currently scheduled for June 9, 2025.

At the June 9th, 2025, Regular Board Meeting the Board approved the following signature changes for all Accounts held at **Clear Fork Bank**:

- Leave Karen Koonsman, Laura Jones, Bruce Rogers, Rick Best, and Harry Romine as signers to all accounts.
- Remove Michael Woods as a signer and remove access for information from all accounts
- Add Jerry Streeter as a signer

Accounts held at Clear Fork Bank include:

Operating Account – Account Number xxxxx5542
10 Yr Reserve – Account Number xxxxx8328
Capital Improvement – Account Number xxxxx8395
Special Reserve – Account Number xxxxx8889

At the June 9th, 2025, Regular Board Meeting the Board approved the following signature changes for all Accounts held at **Simmons Bank**:

- Leave Karen Koonsman, Laura Jones, Bruce Rogers, Rick Best, and Harry Romine as signers to all accounts.
- Remove Michael Woods as a signer and remove access for information from all accounts
- Add Jerry Streeter as a signer

Account held at Simmons Bank is:

Contingency and Equipment – Account Number xxxxxxxxxxx9752

- C) Post Position for Water Operator. A motion was made by Jerry Streeter and seconded by Wayne Campaign to Post the opening for a Water Operator. The motion passed by a show of hands, 5 – 0.

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

- A) TWDB Reserve Account investment
- B) Approval of two Banking Resolutions
- C) Open Water Operator Position

11. Open Discussion - No open discussion

12. Adjournment of Meeting: A motion was made by Rick Best and seconded by Wayne Campaign to adjourn the meeting at 2:48PM. Motion was passed by show of hands, 5 – 0.

Jerry Streeter
LPPAWSC
Secretary