

Board of Directors Meeting

March 27, 2018

Present: Randy Reznicek, Stephen Hilborn II, Harold Ross, Earl Martin, Kathy Dodd, Nanci Essary, Rose Blankenship, David Jakubiec and Robert Lake.

Open Meeting convened at 7:05 pm. Mr. Reznicek presiding.

Mr. Martin made the motion to accept the minutes of the February 27, 2018 meeting. Mr. Ross seconded. All approved. Motion carried.

Mr. Robert Lake with Rutherford, Taylor & Company presented the 2017 financial audit. Mr. Stephen Hilborn made the motion to accept the audit as presented. Ms. Dodd seconded. All approved. Motion carried.

Property insurance on the 4-1 Joint Venture discussed. Nanci advised the board that Rose Hill pays \$1412.00 a year for property insurance on the 4-1 facility in Forney but was unsure if that covers 100% of the asset or just the 16% Rose Hill should be responsible for. Information regarding the value of the asset could not be located in Rose Hill's office. Mr. Martin wanted to know why the 4-1 property insurance wasn't its own separate policy whereby all 4 entities are paying their portion per the 4-1 Joint Venture Agreement. Also discussed was the bank account for the 4-1 which was closed by Vickie Armstrong in November 2017. The board has no recollection of having approved closing the account. A copy of the cashier's check for \$4200 from the American National Bank was presented to the board showing the money was deposited into Texas Bank and Trust Company by Shirley Thompson of College Mound, the new president of the 4-1 Joint Venture. Ms. Dodd made the motion to send a letter to the other 3 entities requesting copies of the financial statements and proof they have property insurance covering their portion of the asset. If after 10 days the other entities do not provide documentation, Rose Hill SUD will seek advice from our attorney. Mr. Ross seconded. All approved. Motion carried.

Mr. Martin made the motion to get another bid on demolishing the old pump station on CR 303 and to spend a maximum of \$9200 to demolish and clear the land. Ms. Dodd seconded. All approved. Motion carried.

Ms. Dodd requested meeting adjourn to Executive Session to further discuss employee medical insurance.

Nanci updated the Board members on past, current and future projects including the inspection/cleaning reports from U.S. Underwater Services, CenturyLink, Terrell Alarm, SCADA and rehabbing the 400k pumps/motors. Also discussed TCEQ inspection and announced RHSUD was found free of any violations.

Nanci presented the manager reports. Mr. Martin made the motion to approve the reports as presented. Ms. Dodd seconded. All approved. Motion carried.

Meeting adjourned to Executive Session at 9:09 pm.

Open Meeting reconvened at 10:05 pm.

Ms. Dodd made the motion to change employee health benefits to TML Health Insurance as discussed in Executive Session. Mr. Ross seconded. All approved. Motion carried.

Mr. Ross made a motion to adjourn the Open Meeting at 10:06 pm. Ms. Dodd seconded. All approved. Motion carried.



President Randy Reznicek



Sec/Treasurer Harold Ross