

Board of Directors Meeting

January 24, 2023

Present: Randy Reznicek, Janet Frazier, Harold Ross, Earl Martin, Kathy Dodd, and Nanci Essary.

Guests: None.

Call to Order: Open Meeting convened at 6:57 pm. Mr. Reznicek presiding.

Public Comments: None.

Review and Approve Minutes from the previous meeting: Ms. Dodd made a motion to accept the minutes of the meeting held on December 27, 2022. Ms. Frazier seconded. All approved. Motion carried.

System Hydraulic Model: Kevin Vanhoozier with Hayter Engineering presented the results of the hydraulic model created for the district. Kevin noted there are currently system deficiencies during peak hourly demand, meeting TCEQ regulations, and during fire flow conditions. The hydraulic report provided options to cure each deficiency along with the probable cost for each option. The board thanked Kevin for the presentation and explanations of the report. No action was taken.

Order of Election: Ms. Dodd made a motion to Order the Director Election to be held on May 6, 2023, for the purpose of electing two directors. Ms. Frazier seconded. All approved. Motion carried.

Appoint Election Agent: Ms. Dodd made a motion to appoint Nanci Essary to serve as Election agent for the May 6, 2023, Direction Election. Ms. Frazier seconded. All approved. Motion carried.

Old Business: Nanci updated the directors regarding old, outstanding business.

400k UST Inspection: The inspection and recoating of the 400k underground storage were complete. There are minor internal repairs needed when the tank can be taken offline for several weeks but nothing urgent was noted from the inspection.

The New Take Point Project: Nanci stated the project once again saw a major setback when it was discovered a revised application has to be submitted to TCEQ for approval now that the meter vault will be located at the tap instead of at the storage tank.

Meter Replacement Project: Rose Hill has been given March 6-7, 2023, as the date the collectors for the AMI system will be installed. Meters will start being installed shortly after those dates.

Chemical Feed Equipment: Nanci stated TCEQ still had not given their approval. Steve with Atkins Engineering is working with TCEQ to get the issues resolved. The holidays had things delayed with TCEQ.

Third Pump/Motor on 400k UST: Nanci is working with MVA Services and Atkins Engineering to develop a plan and acquire costs for installing a third pump and motor on the existing 400k underground storage tank. The third pump and motor would provide redundancy when one of the existing pumps and motor went down for repairs. Nanci stated the third pump was an immediate need due to the number of repairs that each of the two existing pumps or motors has needed in the past five months.

Water and Wastewater Master Plan: Still working, nothing to update.

Sampling Stations: Ordered and expected to arrive the first of March. Mr. Reznicek wanted to know if we could use fire hydrants to sample from.

Nanci stated fire hydrants were not a good fit due to the delicate nature of BACT sampling done monthly and the Nitrification Action Plan sampling done weekly.

Elevated Tower Rehab: Nanci stated the tower rehab could not move forward until we figured out how to operate the system without the tower. Currently, the district is solely dependent on the 400k tower to provide system pressure. Steve with Atkins Engineering has stated pressure gauges connected to SCADA must be installed in the system. Once pressure gauges are installed then a system test can be performed to ensure the accuracy of the hydraulic data for installing VFDs on the motors which will be used to provide the entire system with the necessary pressure while the tower is offline.

Fire Hydrant Project: No update on the project. Nanci explained to the board that it was discovered back in the summer of 2022, there was no way to flush the lines directly upstream and downstream when work was performed at the pump station. Therefore, two of three fire hydrants have been installed on either side of the pump station on the 6" and 8" lines so the lines and tank can be flushed the next time repairs are needed.

City of Terrell: Nanci stated the Cease-and-Desist Order is still working its way through the PUC. The City of Terrell has filed with the PUC for Single Certification which is also working its way through the PUC.

Auto Flush Valves: On hold until Master Plan is complete.

Developments: Nanci stated that one small commercial development is working its way through Kaufman County Development Services. The development will be located on FM 987 and will contain 24 commercial buildings. The developer has requested to use the district's engineer to develop the utility plan.

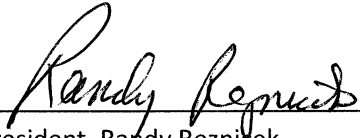
District Trash Service: No update. Mr. Reznicek mentioned that Kaufman County is researching ideas for consolidating trash service and reducing the number of trash trucks on the roads.

Wholesale Water Options: Nanci stated she received route options from Gastonia-Scurry's engineering but has not been able to connect with their General Manager, Ginny, to discuss them.

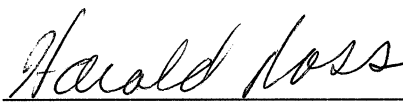
Employees: Nanci shared with the board that the newest employee hired had recently quit. Mr. Reznicek and Mr. Martin both stated they had received a call from the employee regarding complaints against the lead operator and herself. Nanci explained what had transpired in the days leading up to the employee quitting along with the employee's general attitude toward what he believed his duties should and should not include. She also shared that it was a huge relief when the employee quit because his bad-mouthing of the lead operator and his work conduct had become toxic to a younger more impressionable employee. To address Mr. Reznicek and Mr. Martin's concern that Nanci has different standards for different employees, Nanci explained that the standards are the same for all employees and the lead operator has faced multiple disciplinary actions for consistently coming in late. However, once he gets to work, he works hard, is willing to do anything asked of him, and will stay late if necessary; all without complaint. None of which the operator who quit would do. While neither type of employee is ideal, an employee with a negative attitude who does the least amount of work possible or one who consistently comes in tardy; unfortunately, that was what Nanci had to work with at the time. Ideas and suggestions were brought up for discussion on hiring field staff.

Mr. Martin made a motion to accept the manager's reports. Mr. Ross seconded. All approved. Motion carried. The Board reviewed and signed off on the December 2022 bank statement.

Mr. Ross made a motion to adjourn the meeting at 10:22 pm. Mr. Martin seconded. All approved. Motion carried.



President, Randy Reznicek



Secretary/Treasurer, Harold Ross