

Board of Directors Meeting

May 24, 2022

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

Guests: Lesa Schenkel, John Busse and Steve Farabaugh.

Call to Order: Open Meeting convened at 6:58 pm. Mr. Reznicek presiding.

Public Comments: None

Review and Approve Minutes from previous meeting: Mr. Martin made a motion to accept the minutes of the Regular Meeting held on April 26, 2022, and the Special Meeting held on May 18, 2022. Ms. Dodd seconded. All approved. Motion carried.

Presentation by UGSI Solutions: John Busse presented the features and benefits of the Pax Monoclor RCS System as a solution to Rose Hill's aging chemical feed equipment. No action.

Review and approve proposals for Chemical Feed System and Master Plan: Ms. Dodd made a motion to approve proposals for the Monoclor RCS Chemical Feed System and for Atkins Engineering to develop a Water and Wastewater Master Plan for Rose Hill. Ms. Frazier seconded. All approved. Motion carried.

Review Evaluation Reports on 100k Elevated Tank and Chemical Feed Systems: Steve Farabaugh stayed to answer any questions regarding the Evaluation Reports since he created them while employed with KSA Engineering. The 100k Elevated tank report found that while it could be put online and operate with the 400k Elevated tank, without overflowing, it needed additional work to be brought up to TCEQ's current operating standards. Retrofitting the tank would cost approximately \$500,000.00 for the 40-year-old tank. In Steve's opinion that money would be better spent on a new bigger tank, based on growth projection, when the system needed it. The Chemical Feed report compared the Monoclor RCS System and the Ixom Residual HQ System. Both are self-contained systems with automated smart controllers. The Residual HQ System is more expensive than the Monoclor System while providing essentially the same functions. Ms. Dodd made a motion not to spend money on the 100k elevated tank. Mr. Ross seconded. All approved. Motion carried.

Leak adjustment for customer, Carolyn McClain: Nanci explained that Carolyn McClain experienced a leak that span across two billing cycles. Ms. McClain requested a leak adjustment for one bill not realizing the next bill would be much higher. At the time of the request Rose Hill staff also failed to notice that the leak was likely to be higher on the next billing cycle and advise Ms. McClain to wait on the adjustment and see what the next bill amount would be. Nanci felt that Rose Hill staff had enough information regarding the leak that they could have guided Ms. McClain in a way that would not have put her in a situation where she was faced with paying over \$2,000 for a water bill. Ms. Dodd made a motion to reverse the first leak adjustment and to allow for the leak adjustment to be made to the higher bill. Mr. Ross seconded. All approved. Motion carried.

Approve and Sign Engineering Agreement: Ms. Dodd made a motion to approve and sign the engineering agreement with Dunaway/DBI. Mr. Ross seconded. All approved. Motion carried.

Approve and Sign Proposal for Bond Counsel: Ms. Dodd made a motion to approve and sign the proposal for Bond Counsel services with McCall, Parkhurst & Horton. Ms. Frazier seconded. All approved. Motion carried.

Approve and Adopt Resolution No. 2022-03; Conflict of Interest Policy and Annual Statement: Nanci explained that the USDA required an updated Conflict of Interest Policy. Charles with Dunaway/DBI had provided a sample document from the IRS. However, when Nanci asked Drew Miller, General Counsel for Rose Hill, to review the sample document Drew rejected it stating the Conflict-of-Interest Policy Rose Hill adopted in 2005 was up to date

and in compliance with Texas law. Drew provided a Letter of Certification regarding Rose Hill's Conflict of Interest Policy to the USDA. No action needed.

Approve and Adopt Resolution No. 2022-04; Limited English Proficiency Plan: Ms. Dodd made a motion to approve and adopt Resolution No. 2022-04. Ms. Frazier seconded. All approved. Motion carried.

Approve and Adopt Resolution No. 2022-05; Water Conservation Plan: Ms. Dodd made a motion to approve and adopt Resolution No. 2022-05. Ms. Frazier seconded. All approved. Motion carried.

Approve and Adopt Resolution No. 2022-06; Illegal Water Connections and Theft of Water: Ms. Dodd made a motion to approve and adopt Resolution No. 2022-06. Ms. Frazier seconded. All approved. Motion carried.

Approve and Adopt Resolution No. 2022-07; Water Resource and Emergency Management Plan: Ms. Dodd made a motion to approve and adopt Resolution No. 2022-07. Mr. Ross seconded. All approved. Motion carried.

Approve and Adopt Resolution No. 2022-08; Drought Contingency Plan: Nanci explained that the Drought Contingency Plan is in essence the same as the Water Resource and Emergency Management Plan, but each entity has their preferred layout. TCEQ prefers their model which is named the Drought Contingency Plan and NTMWD prefers their model named the Water Resource and Emergency Management Plan. Ms. Dodd made a motion to approve and adopt Resolution No. 2022-08. Ms. Frazier seconded. All approved. Motion carried.

Approve and Sign USDA Loan Resolution: Ms. Dodd made a motion to approve and sign the USDA Loan Resolution. Ms. Frazier seconded. All approved. Motion carried.

USDA Rural Development documents were reviewed by the board and signed as required for the USDA Loan.

Approve and Adopt Resolution No. 2022-09; Open Bank Account with ANB and transfer \$202,000.00 in Contribution Funds for USDA Loan requirement. Nanci explained that ANB did not require a board resolution for this matter and took a letter of request instead. No action needed.

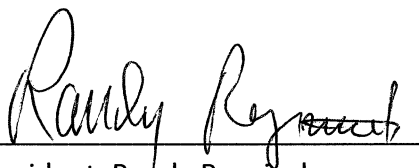
Executive Session: Ms. Dodd made a motion to adjourn to closed session at 9:29pm to discuss personnel matters. All approved. Motion carried.

Open Meeting: Ms. Frazier made a motion to reconvene the open meeting at 9:40pm. All approved. Motion carried.

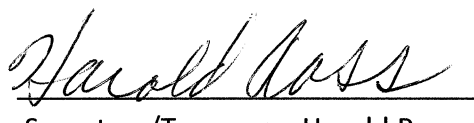
Manager's Reports: Ms. Dodd made a motion to accept the manager's reports. Mr. Ross seconded. All approved. Motion carried.

The Board reviewed and signed off on the April 2022 bank statement.

Ms. Frazier made a motion to adjourn the meeting at 10:13pm. Mr. Ross seconded. All approved. Motion carried.



President, Randy Reznicek



Secretary/Treasurer, Harold Ross