

Medina Water Supply Corp

Minutes of Board of Directors Meeting on 8/12/2024

at Medina Community Center

Meeting called to order at 6:00 pm by Board President Dan Poston.

Directors present:

Dan Poston – President

Harvey Young – Vice President

Janet Miller – Treasurer

Roger Mora

David Reed

Charles Anderson - Secretary

Jon Miller

Quorum present

Also present:

Emerson Arnold

Kevin Ayers – contractor

Bob Buck

Rick Randall

Jamie Mcfarland

Elinor Vandergriff

Reading of Previous Meeting minutes

Dan asked if the directors had reviewed the previous minutes and asked if there are questions on the minutes for the last meeting. Dan asked a question regarding the lightning arrestors. Kevin reported he hasn't seen them nor has he received an invoice for them. Kevin explained the items from 2 meetings prior were the over-current monitors for the well pumps at both sites, those were installed. As for the lightning arrestors, Kevin recalled that Mike said he ordered them, but MWSC was never invoiced for them. Dan asked Emerson to find out about the lightning arrestors. Dan also expressed thanks to Emerson for stepping right into the Field Operator position after Michael Sowders abrupt separation. Emerson thanked Kevin for his assistance during this transition.

Harvey Young moved to accept the minutes, Roger Mora seconded the motion, motion carried by 7 positive votes.

Public Comments (5 minutes per speaker)

Rick Randall had signed in and indicated he wished to speak. Dan Poston called on Rick Randall for his comments. Rick asked that when Emerson got hired, was the job posted, Dan replied it was not, and Rick asked why. Dan explained that Emerson had expressed an interest in the position prior to this. Rick said he believed as a public corporation, that positions must be opened to others via a public posting. Dan asked for a reference to this requirement. Rick said he would look it up and provide it.

Bob Buck had signed in and indicated he wished to speak. Dan called on Bob Buck for his comments. Bob Buck, referring to the minutes stated that Michael Sowders was supposed to work until July 29th and asked if this has changed. Dan said that this has changed, Bob wanted to know if there was a board meeting concerning this change, Dan explained that there was not as Michael resigned the day after the last meeting giving 30 days' notice. Dan further explained that there was an agreement between him and Michael to provide some overlap and training Emerson, his replacement. The next day, Dan Poston and Harvey Young terminated the contract. Bob Buck stated that he feels there should have been a board vote on this action. Dan explained that this is not required in the contract.

Treasurer's Report

Janet Miller as indicated last month, sent out the Treasurer's Report via email prior to the meeting. See included reports Jul 2024.

Janet provided some detail in the meeting.

From the profit and loss report for July showed a profit of \$14,088.68 year-to-date loss \$21,521.57.

July Income: \$35,274.31 and Expenses: \$21,185.63

Janet highlighted the following:

Deposit of \$19,000, Kevin stated that this was from the Live Oaks developers for the hydrant work being done currently. He said that there is a \$14,000 outstanding invoice that is expected for next month.

For Checks

7811 - Michael Sowder's check for June including some overtime

7792 - July 24, System Operators Contract, partial payment for hours worked for the first 9 days of July.

7820 – Kerr County Pump for \$874, this amount represents a \$300 increase from the typical fees as it included three extra hours to support the TCEQ inspection.

7815 – Jon asked about this check to USA Bluebook, this was paid in early July, this was for Fire Hydrant rebuild parts. Currently stored in the Stringtown plant.

Jon Miller asked about the relationship between Texas Land Man and ZW Ventures. Kevin Ayres says that they are one and the same, the account was set up as Texas Land Man LLC and ZW Ventures LLC.

Jon Miller moved to accept the Operators report, seconded by Roger Mora. Motion carried with 7 positive votes.

Accounts Report

The Accounts Report was provided in written form by Kevin Ayers. See attached report.

One account was closed due to non-payment, and another was just closed, bringing the total number of accounts to 260. No leak adjustments for this month. No bulk water sales due to drought.

Kevin highlighted the percentage of loss is now 26.82%

Finch plant had a loss of 285,971 gallons due to a water main break on Parker Street. This was leaking in the last week of June, it surfaced, and Michael fixed it on the last day of June / first day of July. This was a 2-inch line that was 6 feet deep. Upon examining the pipe, it was obvious that it had been leaking for some time. This 26.82% loss includes this leak. Kevin went on to explain that today (8/12/2024), he and Emerson were made aware of another leak on Bellows (at Bellows and Stringtown) that is also on the Finch plant. RGB is scheduled to address this leak, and the Fire Department fill valve on Wednesday (8/14/2024) morning. This leak does not look bad, but it has been leaking for a while. Harvey stated that Michael said that leak was fixed. Emerson clarified that; the leak Michael fixed was a separate leak. Kevin went on to say that there is still a leak at Johnny Boyle's meter, RGB is going to look at it also when they come out on Wednesday.

Stringtown Plant loss percentage 18.93%

Office was closed 7/4 and 7/5 for Holiday and PTO.

Janet Miller moved to accept the Accounts report, seconded by Roger Mora. Motion carried with 7 positive votes.

System Operator's Report

See included reports July 2024 Field Report.

This report was created by new Field Operation Manager Emerson Arnold and due to his start date, covers only the last 3 days of the month. Emerson met with Kevin and did the Plant checks and map reviews. He also went over the truck and the tools on the truck. Made some notes of repairs that need to be made.

Kevin talked about the maps of the system. Kevin had 2 copies printed on tough-paper.

Kevin, and Emerson are annotating these copies with edits from the workshop with Ardurra, Michael's blow-up

edits, and inaccuracies found by Emerson. Once all the corrections are incorporated, Kevin will be able to produce a current map on an as needed basis.

Dan asked about issues with meter reads, Emerson stated that his first round of meter reads is this coming week.

Janet Miller moved to accept the Operators report, seconded by David Reed. Motion carried with 7 positive votes.

Old Business

Tariff Updates

Kevin Ayers stated the tariff updates that were discussed in the last meeting, including the equity buy in fee, and the flat rate \$45 increase across the board was submitted and accepted by the PUC.

TCEQ Violations

Violation 1: Ammonia storage in the chlorine room, this was resolved.

Violation 2: Daily chlorine check method was not correct. The updated sampling locations and schedules were implemented. July's data was submitted and accepted. Once August's data is submitted and accepted this will be considered closed.

Violation 3: The issue with the Finch plant utilization being above 85% at a value of 89%. These values were derived with the old combined well meter showing 125 GPM when the VFD was turned up to 100. The new meter showed a combined GPM flow from the wells at 152 GPM. Kevin submitted photographs of the new well meters installed and the new GPM readings to the TCEQ. The new GPM values, dropped us out of the violation range, to a utilization value of 72%. This violation can be resolved.

Janet Miller asked what the capacity was with the new meters. Kevin said it was 72%. He also explained that he is still working with Johnathon at Ardurra to draft the letter for an exemption so that as we grow in the future, we will have more headroom below the 85% utilization limit.

Pressure tank progress update

Harvey Young reports that the concrete pad was approved, then poured. Last Thursday (8/8/24) the tank was moved and placed. Currently Harvey believes we need to place the hookup of this tank on hold until we get the roof replaced on the 40,000-gallon tank.

Dan Poston expressed the thanks of the board to Harvey for taking the lead and for Jon Miller's help on this project. A lot of good work was done this last month.

Tank Repair Project

Kevin reports on a meeting he had with Brian Cope. Brian Cope got with Maquire Iron and discovered that the plan to install the temporary pressure tank as it was will not work. Brian working with Maquire Sales ironed out some issues, one of which was how to inject chlorine into the water. The plan was amended to address how to get chlorine into the tank, how to get water from well manifold using an existing fitting, how to plumb water to distribution. To explain this Kevin went on to the next agenda item.

Pressure Tank Piping

Regarding the pressure tank piping for the new tank and temporary taps for the temporary tank to support the roof repair, the original plan was to install a T fitting for the pressure tank and gate valve, then put the tap there so that we could handle the temporary pressure tank, the tap, and have the T fitting there. This would not work because the chlorine must be injected before the pressure pumps not after. With that modification it was decided to hold off on T fitting and the tap installation on hold until after the tank repair. There is much work on the pressure tank to be done in the interim. Instead, they proposed a new temporary tap plan to support the temporary tank. MGB supplied an estimate for all the work to support this plan (taps, suction pipes, and piping

to support the temporary tank). Jon Miller asked if this would include a chlorine line from the chlorine house to the temporary tank. The output of the temporary tank goes to the pump inlets via a manifold. Also, a level sensor is not included in the temporary tank, and the existing one is too large, so the electrical work is to support new water level instrumentation. This has to be completed before labor day to maintain our schedule. There was a discussion about competitive bids, whether or not it is required for dollar amounts less than 10,000. Kevin added that MGB has consistently come in at a lower cost than the other vendors we used previously. Jon Miller highlighted that this is work that was discovered in the process of the larger job. Kevin stated that Kerr Pump could be asked to bid, but this was worked out on site between Cope Engineering and MGB, and this design and the requisite collaboration would have to be repeated.

Dan Poston moves that we accept the bid (MGB Constructions bid and estimate). This motion was seconded by Jon Miller. Motion carried with 7 positive votes.

Bob Buck asked for the dollar amount of the bid, Dan Poston replied that it was \$5,000.00

New Business

Tractor Purchase for MWSC

Kevin placed this item for discussion, the former operator provided tractor and operator times. Going forward, we will need this same service. A typical call to dig up and clamp a pipe runs \$2,000 to \$3,000. After six such calls, it may be cost-effective to purchase a used tractor. Roger Mora asks how much we spend on tractor time these last years. This data was not collected as Michael Sowders charged \$66 per hour for the tractor, and his hourly rate for operator services. RGB charges \$65 per hour for tractor, \$120 for the truck and \$75 per hour for each person they send. Dan asked Kevin to analyze the books to compute how much we have spent on tractor time from that we can determine how much we would have spent with RGB. Harvey added that RGB usually shows up with a mini trackhoe, or mini excavators. Emerson agrees that mini-excavators with a push blades are more popular than traditional backhoes. These smaller tractors can be purchased for \$10K – \$15K, with trailer. Kevin will analyze the spend history. Emerson will look at what is suitable for use. Roger suggests that renting the equipment as needed may be cost effective. Dan mentioned that renting the equipment may be a problem as the needed equipment may not be available, or the equipment yard may not be open when needed if an emergency occurs after hours. Harvey Young will shop around for equipment that can trench from 7 to 9 feet deep.

Work Truck Tires

Emerson Arnold states that the work truck tires are worn down to the wear indicator and show signs of dry rot. This is a safety and a liability issue. The existing tires are of good quality, but they have reached the end of their service life. Tripp's Tires and Discount Tires were put forward as replacement vendors. TPMS sensors will need to be replaced as well. Emerson suggests the price would be around \$1000 – \$1200. Roger asked about the condition of the spare. This is to be purchased as a consumable like office supplies.

Tank Transport Fees

Harvey Young asked a friend to transport the pressure tank from Bandera to Medina. Bob Duke agreed to do it at no cost, and when offered, turned down payment for this service. Elinor Vandergriff asked if there were any guarantees with the tank we purchased used from Bandera and if we were aware we would have to pay for transport of this tank. Dan explained that we were aware, and that this would be an expected expense. David and Janet explained the terms of the purchase. Dan added some history to the account. Jamie asked about the temporary pressure tank for \$10,000. Kevin said that we would need it for less than a month, and the \$10,000 includes transport.

Roger Mora moves that we approve the expenditure of \$600 to reimburse Bob Duke for the transport of the pressure tank from Bandera to Medina. This was seconded by Harvey Young. The motion was carried by 7 positive votes.

Dan Poston wants to circle back to issues brought up earlier.

Rick Randall's point about hiring Emerson. Previously we posted for open positions not a requirement of the bylaws but to find someone. Emerson had agreed to take the contract position at no increased cost to MWSC. These terms were discussed at length at the last meeting. Rick stated that when Kevin was hired, the position was advertised in Kerrville and Bandera paper, and that there was a criterion to meet. Dan stated that is normally a good business practice, but not required by the bylaws. Rick says he will look to find a reference.

Bob Buck's issue with firing Michael Sowders. Dan stated that he was fired because he failed to honor the agreement to stay on to train Emerson. Dan couldn't think of anything the board had produced either written or in a meeting that addresses the firing of a contractor. There were informal discussions with a few of the members. The agreement was discussed and documented in the last meeting. Dan offered to have a vote on the issue. Bob stated that the vote should have been held before the termination. Dan countered that Michael was fired the day after the last meeting and it was unwise to wait until the following month. Bob said a meeting could be held as soon as 3 days after the meeting. He expressed concern as to who is running the MWSC, the board or individuals. Board members were informed what was going to happen, Dan and Harvey terminated the contract. Bob expressed more concerns and will document them as such. It was also mentioned that Michael Sowders resigned.

Harvey Young moves to adjourn the meeting. Roger Mora seconded the motion. The motion was carried by 7 positive votes.

Meeting Adjourned at 7:18 PM.

Minutes approved as _____ distributed _____ amended.
