

Aqua Water Supply Corporation  
Board of Directors Meeting  
Monday, March 9, 2020

Present: David Glass, Bill Tomsu, Cliff Kessler, Craig Williams, Pam Harkins, Earl Steinbach, and J.D. Mican

Absent: Mark McArthur

Staff: Dave McMurry, Heather Tucker, Christie Nutt, Frank Pacheco, Steve Dunn, David Fleming, Jason Kennedy, and James D'Souza

Consultants: Ty Embrey of Lloyd Gosselink; Joe Morris

Guests: Dennis Durfey representing Waters of Vista Ranch

President Cliff Kessler called the meeting to order at 1:00 p.m.

Mr. Kessler invited all in attendance to stand and recite the Pledge of Allegiance to the national and the state flags.

Mr. Tomsu delivered the Invocation.

President Kessler announced the next regularly scheduled board meeting would be held on Monday, April 6, 2020 at 1:00 p.m.

There was no member communication.

J.D. Mican expressed appreciation to all Aqua WSC employees that coordinated the annual meeting. All board members present reciprocated. Pam Harkins stated that all the employees she spoke with at the annual meeting appreciated their jobs and shared that Aqua has a great working environment.

J.D. Mican made a motion to approve the minutes of the February 3, 2020 board meeting. J.D. Mican stated that the \$1,000,000 in paragraph three on page three needed another zero added. David Glass seconded the motion with the noted correction, and the motion carried.

Craig Williams made a motion to retain the same officers, as follows: Cliff Kessler, President; Earl Steinbach, Vice-President; and William (Bill) Tomsu as Secretary/Treasurer. David Glass seconded the motion, and the motion carried.

The board reviewed the bills as paid. Staff responded to questions asked by J.D. Mican, Craig Williams, Earl Steinbach, and Pam Harkins. J.D. Mican made a motion to approve the bills as paid. Earl Steinbach seconded the motion, and the motion carried.

The board reviewed the financial statement.

Dave McMurry introduced Dennis Durfey from Waters of Vista Ranch and provided a briefing and discussion on an Operations and Maintenance agreement with Waters of Vista Ranch. Waters of Vista Ranch WSC currently has approximately 32 connections, two wells with one registered and one not registered. Both wells are located within the Carrizo-Wilcox aquifer. The goal is to take over operations and maintenance, then move toward consolidation and hopefully pick up the additional CCN around the Waters of Vista Ranch WSC as shown on the map provided in the board

packet. Dave McMurry then stood for questions from the board. J.D. Mican made a motion to approve an Operations and Maintenance agreement with Waters of Vista Ranch WSC. David Glass seconded the motion, and the motion carried.

David Fleming provided a briefing and discussion on recognizing the feasibility of providing water service to 14713 FM 1100 Subdivision. Resolution 20.03.01. Craig Williams made a motion to pass a resolution recognizing the feasibility of providing water service to 14713 FM 1100 Subdivision. Earl Steinbach seconded the motion, and the motion carried.

David Fleming provided a briefing and discussion on recognizing the feasibility of providing water service to Las Alamedas Subdivision. Resolution 20.03.02. David Glass made a motion to pass a resolution recognizing the feasibility of providing water service to Las Alamedas Subdivision. J.D. Mican seconded the motion, and the motion carried. Bill Tomsu abstained from voting.

David Fleming provided a briefing and discussion on recognizing the feasibility of providing water service to Old Potato Acres Subdivision. Resolution 20.03.03. Craig Williams made a motion to pass a resolution recognizing the feasibility of providing water service to Old Potato Acres Subdivision. David Glass seconded the motion, and the motion carried.

David Fleming provided a briefing and discussion on recognizing the feasibility of providing water service to Taylorsville Road Subdivision. Resolution 20.03.04. J.D. Mican made a motion to pass a resolution recognizing the feasibility of providing water service to Taylorsville Road Subdivision. Bill Tomsu seconded the motion, and the motion carried. Craig Williams stepped out during the discussion and did not vote.

David Fleming provided a briefing and discussion on recognizing the feasibility of providing water service to Peach Creek Forest Subdivision. Resolution 20.03.05. J.D. Mican made a motion to pass a resolution recognizing the feasibility of providing water service to Peach Creek Forest Subdivision. Bill Tomsu seconded the motion, and the motion carried.

David Fleming provided a briefing and discussion on approving large volume water service to Lost Pines Development. Resolution 20.03.06. David Glass made a motion to pass a resolution approving large volume water service to Lost Pines Development. Earl Steinbach seconded the motion, and the motion carried.

Ty Embrey provided a briefing and discussion on approving Amended and Restated Wholesale Service Agreement with the City of Elgin. Ty summarized the areas of the agreement that were amended. The agreement will be on the Elgin City Council's meeting agenda next week. David Glass made a motion to approve Amended and Restated Wholesale Service Agreement with the City of Elgin. Earl Steinbach seconded the motion, and the motion carried.

President Kessler adjourned Regular Session at 2:08 p.m. for a short break. Mr. Kessler reconvened Regular Session at 2:26 p.m.

Dave McMurry reviewed the General Manager's Report. Aqua WSC has been very busy. After talking with Ty Embrey recently, since Ty began with Aqua WSC in 2003, he does not recall ever seeing Aqua WSC this busy. It's an exciting time at Aqua. We are just starting off a new budget year and it's typical for the first month of the year. Expenses and net revenue are both looking good, with expenses below budget and revenue above budget. This past month, Mr. McMurry met with Rick O'Conner of Master Meter to discuss Aqua propagation study and AMI meters. Mr. McMurry met with Corix representatives, Darrin Barker and John Chisholm, to discuss a wholesale water agreement for Double Eagle development as well as moving forward with a water and wastewater teaming or alliance agreement. Discussions continued with Paul Pittman of Polonia WSC for a consolidation agreement and path forward. Hopefully the agreement will be ready for next month's board meeting. Lastly, along with Frank Pacheco, Mr. McMurry visited Waters of Vista Ranch WSC to tour facilities, discuss operations and maintenance agreement, and potential consolidation. Performance metrics are looking good so far, but we just started. Mr. McMurry then stood for questions from the board.

David Fleming gave a briefing on his Subdivision Development report. Mr. Fleming then stood for questions from the board.

David Fleming gave a briefing on his Engineering and Construction Report. Mr. Fleming then stood for questions from the board.

Joe Morris gave his Government Relations overview. As Mr. McMurry stated earlier, he met with Mr. McMurry and Corix representatives to explore a means by which Aqua and Corix could provide water and wastewater service to virtually all of Bastrop County. Mr. Morris has continued to keep our legislative delegation in the loop regarding the expected acquisition of Polonia WSC. As of now, no constituents or legislators have voiced any concerns regarding the acquisition. This past month, Mr. Morris conducted a tour of Aqua facilities for selected staff of the Texas House of Representatives including Shannon Houston, Committee Director, Natural Resources Committee; Alonzo Wood, from Representative Cyrier's office; and Susanna Feather, also of Representative Cyrier's office. He plans to organize a similar tour for select Senate staff later this month. Mr. Morris then stood for questions from the board.

Ty Embrey reported there were no new developments under the General Counsel's Report except they are still waiting on SOAH judges to present their opinion to the LPGCD regarding LCRA's well permit applications.

There was not an Executive Session under Texas Government Code, Section 551.071, for purposes of legal advice and consultations with Aqua's general counsel.

There was not an Executive Session under Texas Government Code, Section 551.072, for purposes of deliberating real property.

President Kessler adjourned regular session at 3:29 p.m. and immediately convened an Executive Session under Texas Government Code, Section 551.074, for purposes of discussing personnel matters.

President Kessler adjourned Executive Session at 3:35 p.m. He stated no action was taken and no decisions were made in Executive Session.

There being no further business, David Glass made a motion to adjourn the meeting. Bill Tomsu seconded the motion, and the motion carried. The meeting adjourned at 3:36 p.m.

Approved: April 6, 2020

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William F. Tomsu, Secretary Treasure

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Cliff Kessler, President