

**MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
GONZALES COUNTY WATER SUPPLY CORPORATION
JANUARY 23, 2024**

The regular monthly board meeting of the Gonzales County Water Supply Corporation, hereinafter called "GCWSC", was held in the GCWSC meeting room located at 2000 Waelder Road in Gonzales, Gonzales County, Texas on Tuesday, January 23, 2024, beginning at 6 p.m. The meeting was held in accordance with the Texas Open Meetings Act.

Board Members Present:

Greg Tieken, President (Dist 4)	George Bozka, Sec/Treas (Dist 1)
Clayton Hines, Director (Dist 7)	Jason Breitschopf, Director (Dist 3)
Brian Sample, Vice Pres (Dist 6)	

Others Present:

Daniel Pepin, General Manager	Denise Migl, Office Manager
Kyle Wright, Foreman	Sylvia Jalufka, Member and Office Assistant

#1 CALL TO ORDER/QUORUM CONFIRMATION

Noting a quorum, President Greg Tieken called the meeting to order at 6:00 pm.

#2 AGENDA POSTING VERIFICATION

The agenda for the originally scheduled meeting January 16th and the weather-related postponed meeting January 23rd, were properly posted to the premises and web site. (A)

#3 PUBLIC FORUM

No one signed up to speak in the public forum. (B)

The meeting began with a moment of silence for employee Michael Fougerat, who passed away unexpectedly 1/23/24. He was employed with GCWSC since 1979.

#4 DISCUSSION OF ARLEDGE EASEMENT REVISIONS

Mr. Arledge did not attend the meeting; therefore, the board tabled any action on his proposed easement revisions. The board agreed GCWSC easements are perpetual. (C)

#5 DISCUSSION OF HAYNES/RICHTER CONCERNS

The Haynes and Richters did not attend the meeting; therefore, the board tabled any action regarding their concerns related to meter sales and providing water to subdivisions. The board reiterated its obligation to provide water to qualified applicants in our CCN.

#6 CONSENT AGENDA

The board commented on the low water sales and the high water loss, the result of a combination of meters not reading and unaccounted for flushing. The consent agenda was approved via motion by Clayton Hines, seconded by George Bozka. (D)

#7 & #8 ACCOUNTS PAYABLE/FINANCIAL STATEMENTS

The expenditure for Travis Hobbs Construction was for TXDOT line relocates in Westhoff and Leesville. The AP Aging for November 30, 2023 was approved via motion by George Bozka, seconded by Jason Breitschopf.

The November financial statements showed a net loss due to the TXDOT expenditures. They were approved via motion by Jason Breitschopf, seconded by Brian Sample.

The December accounts payable reflected annual lease payments and one-time expenditures to acquire an easement, purchase a ground storage tank, and more TXDOT line relocates. The AP aging for December 31, 2023 was approved via motion by Brian Sample, seconded by Clayton Hines.

The December financial statements reflected a MTD net loss due to the TXDOT expenditures, thus bringing YTD income below budget. Cash remained strong at \$1.7M and our debt coverage and debt to capital ratios remained strong. Overall, water sales were up for the year but meter sales were down, in addition to the unforeseen expenditures related to TXDOT line relocates, communication failures caused by solar flares, and legal fees for GBRA litigation. The financial statements were approved via motion by Clayton Hines, seconded by George Bozka. (E)

#9 CASH UPDATE

The cash update shows collections through January 23, 2024. (F)

#10 MANAGER'S REPORT

Mr. Pepin delivered his first manager's report via PowerPoint. The highlights of his presentation to the board included plans for spare pumps in response to the recent freeze, new filter media or filter for the 794 well, implementing a subdivision developer process, and proposed changes to employee time keeping, hiring, and safety. (G)

#11 SYSTEM PRESSURE

No issues at this time.

#12 LONG RANGE PLANNING

Long-range planning needs to focus on completing projects still in process, such as the Wrightsboro ground storage tank and Sample generator. Costs are needed to begin the I-10 (Iron Mountain) upgrade now that the easement has been obtained. In addition, cost updates are needed for the grant project, while water rights are needed to secure our future supply against exporters. The board agreed a planning committee meeting should be called between now and the February meeting.

#13 RESERVE FOR WELL DEVELOPMENT ACCOUNT

The board approved the motion made by Jason Breitschopf, seconded by Brian Sample to allow the office manager to open a one-year CD at the highest rate available to deposit the GBRA settlement funds. (H)

#14 CD RENEWALS

The board voted to renew the two FNB Shiner CDs coming due in January and February via motion by Brian Sample, seconded by Clayton Hines. (I)

#15 AUDIT ENGAGEMENT

The board voted to retain Armstrong, Vaughn, and Associates to perform the 2023 annual audit via motion by Clayton Hines, seconded by George Bozka. (J)

#16 DONATION IN MEMORY OF MILTON HINES

The board approved a \$100 donation to the Oddfellows in memory of former board member and GCWSC visionary, Milton Hines, via motion by George Bozka, seconded by Jason Breitschopf.

#17 TRWA CONFERENCE

The board discussed the value of attending RuralWaterCon in March due to the relevant agenda which includes, dealing with growth and developers, TCEQ/PUC rule updates, protecting your CCN against encroachment, and grant and funding opportunities. (K)

#18 ANNUAL MEETING

The board acknowledged the annual meeting documents and timeline as presented according to policy. The positions up for re-election are District 5, held by incumbent Tel Lindemann, and District 7, held by incumbent Clayton Hines. Applications are due by March 8th, with the election to be held at the annual meeting on April 23rd. (L)

#19 OTHER ITEMS

The board agreed that a memorial contribution and flowers be given in memory of Michael Fougerat and suggested GCWSC close to allow personnel to attend the funeral.

#20 ADJOURNMENT

The motion to adjourn was made by Brian Sample, seconded by Clayton Hines at 7:45pm

Approved February 20, 2024

Greg Tieken, President

George Bozka, Secretary/Treasurer