

**MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
GONZALES COUNTY WATER SUPPLY CORPORATION
FEBRUARY 20, 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, February 20, 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, GCWSC General Manager Denise Migl, GCWSC Office Manager
Larry Lassig, GCWSC Certified Water Operator

#1 CALL TO ORDER/QUORUM CONFIRMATION

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

#2 AGENDA POSTING VERIFICATION

The agenda was properly posted to the premises and web site. (A)

#3 PUBLIC FORUM

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

#4 CONSENT AGENDA

The Board voiced concerns regarding the annual water loss of 20%, stating that a range of 10-15% is the norm, and the timeliness in responding to work orders. Mr. Pepin stated we got behind on leaks toward the end of 2023, and due to freezing and rainy weather, were unable to catch up in January. He plans to use two crews and contractors going forward. There was an administrative error regarding work order dates. The consent agenda was approved via motion by George Bozka, seconded by Clayton Hines. (C)

#5 ACCOUNTS PAYABLE

The Board commented on the payment to Barta Construction for phase 1 of the 6" upgrade on CR 439 to remain TCEQ compliant. The Office Manager explained the annual insurance renewal prepayment made to Travelers. The AP Aging as of January 31, 2024, was approved via motion by Clayton Hines, seconded by Brian Sample. (D)

#6 FINANCIAL RESULTS

The statement of activities showed a net income for the month of \$24K, while the statement of financial position showed ending cash of \$1.5M for the month. The liabilities remained steady. The supplemental data was updated to reflect insurance renewals. The board noted the large balance on the installment plan. The January financial statements were approved via motion by Brian Sample, seconded by Jason Breitschopf. (E)

The financial ratios remained strong for the first month of the new year. The P&L actual to budget showed a net income of \$24K, compared to the budgeted net income of \$17K. Although revenues were slightly down, the expenses were kept below budget.

#7 CASH AND FINANCIAL UPDATES

The cash update reflected the GBRA settlement funds, deposited on 2/1/24 in a one-year term CD earning 4.5% at Sage Capital Bank. The financial update showed the breakdown of funds among banks. The board expressed concern over the rating drop of First National Bank of Shiner from three to two stars. (F)

#8 FINANCIAL INSTITUTION RATINGS

President Tieken researched the First National Bank of Shiner rating drop from three to two stars and presented his findings to the board. Due to poor management decisions, a cease and desist order exists against the bank. Their net income dropped substantially during 2023 and their return on capital is negative. Given these issues, the Board, serving as a fiduciary to its members, made the unanimous decision to transfer the excess funds in its operating account out of FNB Shiner in order to remain below the FDIC coverage threshold. Via motion by Jason Breitschopf, seconded by George Bozka, the Board approved the transfer of funds to South Star Bank. (G)

#9 SAFETY BOOT REIMBURSEMENT

The Board approved a \$125 annual safety-toe boot reimbursement for field staff via motion made by George Bozka, seconded by Clayton Hines. The wording of the personnel policy will be amended to reflect this PPE requirement. (H)

#10 MANAGER'S REPORT

Engineers determined the filter media at the 794 well needs to be replaced to combat the iron issue. The Waelder Road booster station was found to have non-functional pumps, inoperable valves, and a leaking tank. All of this will be urgently replaced with alternating pumps, new cla-valves, and a welded steel painted tank. Human resource improvements include the installation of the time clock, running background checks and driving records on potential new hires, employee training, and safety. Non-standard service agreement improvements include feasibility studies and more conspicuous plat wording. Negotiations with Canyon Regional Water Authority regarding permit amendment mitigation will begin soon. (I)

#11 SYSTEM PRESSURE ISSUES

There were no issues to report at this time.

#12 LONG RANGE PLANNING UPDATE

Quotes are needed for the Waelder Road booster station replacement project. The VFD's were replaced at Hamon and Nickel booster stations. The forklift required to move the Sample generator is operating, and the Wrightsboro tank's missing hatch is installed. Thus, we can move forward with projects. Once we get cost estimates, the LRP committee will need to meet to approve them.

EXECUTIVE SESSION

The Board voted to go into executive session to discuss a personnel issue via motion by Clayton Hines, seconded by Brian Sample at 7:20 pm. The board came out of executive session at 7:25 pm via motion by George Bozka, seconded by Clayton Hines. The Board agreed to extend bonus compensation in the amount of \$1,500 each to the Foreman and Office Manager who took the reins following the unexpected resignation of the previous General Manager via motion by George Bozka, seconded by Jason Breitschopf.

#13 OTHER ITEMS

The Board passed around a thank you from the family of Michael Fougerat.

#14 ADJOURNMENT

The motion to adjourn was made by Brian Sample, seconded by Clayton Hines at 7:30pm

Approved March 19, 2024

Greg Tieken, President

George Bozka, Secretary/Treasurer