

FORT GRIFFIN SPECIAL UTILITY DISTRICT

1180 C.R. 109
Albany, TX 76430

FORT GRIFFIN SPECIAL UTILITY DISTRICT Board of Directors met Thursday, January 10, 2019, at the Prairie Star Catering Shack, 100 Ellison St., Albany, TX.

Board President Burrell McKelvain called the meeting to order at 12:50 pm. Other Board members present included Ben Hale, Ken Hill, Robert Montgomery, Sam Snyder, and Jim Blancq. General Manager Mark Gardenhire and Office Administrator Betty Barrett were also present. Engineer Derek Turner was present to give project updates.

Visitor Comments, limited to five minutes:

Sid Collinsworth was present to ask questions concerning the recent rate changes and the proposed projects. Paul King, also a customer of FGSUD, was present with Sid. Sid voiced some of his concerns and asked questions pertaining to the change in water rates and the proposed projects. He asked the cost of the projects to which engineer Derek Turner answered that it will be \$4.025 million. The added cost per meter is projected to be \$2.57. The previous water rate increases were questioned, and Burrell stated we have had an increase in our rate from the City of Albany that was passed on to our customers. Other increases will have to be seen at the District office in copies of the minutes. Sid mentioned other water systems' rates and miles of line including Lake Leon and Cisco. Burrell brought up the survey conducted by Communities Unlimited which was based on 2017 to projected 2019 and more information should be on tape recordings and/or written meeting minutes. Burrell said we keep recordings for about three months at least, minutes are posted online. Sam asked Sid his reason for resigning from the Board. Sid said because he was only one "no" vote and a lot of people don't know what is going on in the system. Sam said we are planning for the future of the system and generations to come. Burrell said anyone is invited to attend meetings; they are open. We have paid for rights to Possum Kingdom water for several years, but we have only recently obtained a way to get that water here for our use. He said engineers have come up with the figures and determined that it will be cheaper treating PK water than our cost from the City of Albany. Jim Blancq explained to Paul King that we are not trying to make a profit. Everything the board does is to benefit our customers, and everyone on the Board is a customer. Sid stated we are still obligated to purchase 45,000,000 gallons from the City before we can use water from any other source. What is the average yearly number of gallons we purchase from the City? Mark stated that we take approximately 55,000,000 gallons annually. Sid said since we became a S.U.D., there has not been an election, but this year there will be one. He also questioned spending too much money. Sam said you must spend money to make money; this is a good deal and we will be saving money. He also stated that the majority voted for it time after time.

Approval of minutes: Following a review of the December 6, 2018, meeting minutes, Ken Hill made a motion to approve the minutes as read. Robert Montgomery seconded the motion, and it carried.

Approval of expenditures and financial reports: Following a review of the December 2018, expenditures and financial reports, Sam Snyder made a motion to approve the expenditures and reports as submitted. Ben Hale seconded the motion, and it carried.

Update on RD Project: 1) Engineer Derek Turner submitted copies of the Water System Improvements Project Cost Analysis he performed. (See attached copy.) He stated that \$3.74 million was approved by USDA Rural Development (RD), but he reduced it by \$1,525,000 which will be funded by Texas Water

Development Board (TWDB). Those funds will be used to build the treatment plant, raw waterline crossing the lake, and the stand pipe on Hwy 6/FM 1853. Concerning the right-of-way easements from Ward Veal and Sally Satterfield, Derek reported that Mr. Veal's cousin got involved and made some changes to the easement agreement. Being minor and not affecting anything negatively, Derek agreed to his changes. The two property owners request payment for the easement before they will sign and release it. Mrs. Satterfield has stated she will agree with the same payment as Mr. Veal. Easements must be obtained from the five or six other property owners who have smaller parcels of land where the waterline will be placed. Derek stated that all the paperwork must be approved by TCEQ and USDA before the project can go out for bid. 2) Shackelford County has agreed to apply for a \$525,000 grant on behalf of FGSUD and the City of Moran. The grant will be divided between the two entities, and they are each required to pay \$12,500 matching.

Manager's Report: Mark informed the Board that employee Steve Taggart had an accident on the job and bruised his ribs. Steve did not file it with Workers Comp, and FGSUD has reimbursed him for two office visits and three prescriptions. Steve has not been employed the required year before paid vacation is given, and due to his extended time off has used all his allotted sick leave. Mark asked the Board if there is any way to continue to pay him his regular wage. Policies and Procedures don't allow for that, but future vacation time or compensation time may be used if a record is kept.

There being no further business, Ken Hill made a motion that the meeting adjourn. Robert Montgomery seconded the motion, and it carried. The meeting adjourned at 2:52 PM.

Burrell McKelvain, Certifying Official
Fort Griffin Special Utility District