

LAKE KIOWA SPECIAL UTILITY DISTRICT

133 Kiowa Drive South
Lake Kiowa, Texas 76240-9539
(940) 668-8391

MINUTES FOR MEETING OF BOARD OF DIRECTORS

DATE: Wednesday, December 11, 2024

TIME: 10:00 a.m.

PLACE: 133 Kiowa Dr S, Lake Kiowa, Texas 76240

Minutes

1. *Call to Order and Declaration of Quorum. Meeting was called to order by President Turner at 10:00 am. All directors were present along with General Manager Brown and Asst. General Manager Fritz. Please see attached exhibit "A" for additional guest that attended meeting.*
2. *Review and approval of minutes of November 13, 2024, board meeting(s). After reviewing the minutes, Director O'Dell asked to make a change to the minutes under #6 to add \$275.00/per month on lot leases. Director Richey made a motion to approve the minutes with the correction. Vice President Bonzo seconded the motion and all approved.*
3. *Public Comment. (Speakers limited to 5 minutes each): Please see the attached additional pages from public comments Q & A.*

New Business:

4. *Consider, discuss and act upon the contract from Superior Tanks to build an additional ground storage tank at the Dam station: General Manager Brown indicated that Superior Tank had been notified to install an additional tank at the Dam site location. It is in the engineering process which can take 4-6weeks to complete. They will require 25% down on it when done. Then it will be scheduled for manufacturing and that can take up to 20 weeks to complete and ship to site. Installation will take 2-4 weeks to complete.*
5. *Discuss and act to appoint Patty Fritz to serve as Election Agent for the General Election to be held Saturday, May 3, 2025: After some discussion Vice President Bonzo made a motion to appoint Patty Fritz as the election agent. Secretary Deatrich seconded the motion and all approved.*
6. *Consider, discuss, and act upon request from homeowner for request for damages: None*
7. *Executive Session pursuant to Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, annotated to allow discussion concerning personnel matters (§551.074): None*

Old Business:

8. *Update and possible action concerning the Waterline Project Phase 5: No new information at this time.*
9. *Committee reports:*

(a) *Human Resources (HR) Committee: None*

- (b) *Budget and Rates Committee: None*
- (c) *Long-range Planning and Conservation Committee: None*

10. *Reports:*

(a) *General Manager re: review of contractual matters; water system maintenance and status; status of capital improvement projects; rates and finances; customer relations; employee matters; special projects; equipment, materials, and vehicles; administrative matters; and recommendations for water system improvements: General Manager Brown updated the Board that Phase 4 has been completely closed out and the walk thru had been completed.*

The Lake Kiowa POA will install the new meter once the new water line has been completed for the refill well.

The Lake Kiowa POA has picked up the required documents to install a new tap for the Par 3 golf course and currently we have not received any documents or money to proceed with the installation.

(b) *Investment Officer re: Quarterly Financial Report. (Apr., July, Oct, Jan.): None*

- 11. *Review and accept monthly financial report(s) and approve payment of bills: After review, Treasurer McDonald made a motion to accept and approve paying the invoices. Assistant Treasurer Cooke seconded the motion and all approved.*
- 12. *Discussion on future agenda items: special meeting on wages. Auditors for the January meeting.*
- 13. *Adjourn: President Turner adjourned the meeting at 11:16 a.m.*

By: *Rodney G Brown*

Rodney G. Brown, General Manager

Q & A from Public comments on the December 11, 2024 meeting:

Pete Mason= Lot 710: Here with his friends and they have a major concern on the high increase of rates. He did appreciate the updates provided on the website. They have budget concerns for everyone. They have put together a petition to submit to the PUC. They want to make sure the proper process has been taken.

Dan Busch = Lot 1662:

He indicated that he is not aware of open positions for election. Terms? Publicized terms of elections?

Need to communicate better. Put articles in the communique?

Can we use private financing?

Will rates continue to increase?

Once 2014 bond is paid off in 2034 will the rates decrease?

Response from LKSUD President Turner: Lake Kiowa POA's and the Lake Kiowa SUD are separate entities which have separate set of rules and guidelines. Each entity has different fiscal years that end at different times. Notification is mailed out prior to rate increases each year that there is an increase per required by T.C.E.Q. requirements. We have a deadline to submit an application to move forward with the next waterline replacement phase. We have had a engineering study done in regards to putting in a new well and it was determined that we could add additional storage to help with the demand during summer months. It was decided to move forward with Phase 5 at that time. The longer we put off replacing the water lines the more costly it is getting. Once our application is approved, we have to start paying on the bond and for the application to be approved, we have to show repayment ability.

Response from Vice President Bonzo: We post minutes from our meetings on our website as soon as approved by the Lake Kiowa SUD.

Response from General Manager Brown: The application process could take up to possibly July or august of 2025. Once application is approved by TCEQ and TWDB, then engineering must be completed, which could be at least another 8 months. We have an A-minus rating based on payment history. GTUA handles the bond process for the North Texas area.

Private entities do not qualify to go through GTUA for bonds.

City of Tioga will be increasing their water rates 33 ½% but they have property tax and city taxes to help with the cost of water/sewer line replacement. There is a lot of continued growth in their area.

Response from Secretary Deatrich: We have always notified rate increases in November for rates increases happening in January of the following year.

We have tried deferring the work and we have had a increase in cost in doing so. We have had to pay out of our reserves for 2 wells to be replaced and the purchase of a generator required by the State.

Response: from Vice President Bonzo: A lot of consideration has been done due to the age of the water lines and the amount of breakage we have had.

Question/comment from Gerald Smith: He agrees with the water line replacement. He has had some breaks in front of his house. Asked if it would be possible to have town hall meetings informing everyone.

Questions/comments from Mike Brindle(lot 1698):

Could the yearly increase have been done differently?

Would the contractors be boring or pipe bursting?

Response from General Manager Brown: Once application has been approved, guidelines will be set up prior to the bidding process. It will be recommended to do boring instead of pipe bursting.

Increases are reviewed each year and taken into consideration.

Request from Genieve Avinger and Lot 319: Can they see the financials?

Response from General Manager Brown: We must have written request from each individual in order to receive a copy of our financial audit per our attorney.

Question/comment from Jason Sofey:

He has been through the bid process through the City of Sherman and knows that the process is long. He went over the time frame of the process again.

Response from General Manager Brown: The bid process could take up to a month and depending on the contractor and their current job, on when they could start working. It could possibly be a year and half to two years before waterlines could actually be replaced.

Response from Director Richey: He has been on the board prior years and on one project we only had one bid.

Question from Lot 599: He appreciates everything that we do. What are the plans going forward?

Line Breakage?

Emergency Funds?

Response from General Manager Brown:

CobbFendley has engineered everything on the lake that has been done so far. They did not engineer the original pipes that were installed. Engineering is completed on each section as the phases are done with wells, towers, or water line replacement.

Response from President Turner: We have one more phase to complete after Phase 5 unless we have to put in another water well and put off the last phase. Breaks depend on the weather.

Question from Dan Ramsey: When do we lock in a rate?

Response from General Manager Brown: When they application is approved.

Question/comment from Lot 1672: He has been in the oil business, and they would just put a liner inside the existing pipe. Is this a possibility?

Response from General Manger Brown: The pipe size is being increased as the lines are being replaced due to the growth and the number of irrigations being installed. The current pressure is between 65-67 PSI.

Question/comment from Pete Mason: Do we have a long-range plan? Can we update like the LKPOA does?

Can we put financial out on the website?

Do we have reserves?

Response from General Manager Brown:

We do have a long-range plan, and it continues to be looked at.

To request a copy of our last financial audit, there has to be a written request submitted to the Lake Kiowa SUD and we can provide a copy.

We are required to have reserve funds available per bond requirements.

Each water well must have a storage tank. Water goes from the well into a storage tank to be chlorinated before it can be put into the system.

We cannot project future increases. That has to be looked at on an annual basis.

Exhibit A – Sign in sheet

Lake Kiowa SUD Board meeting

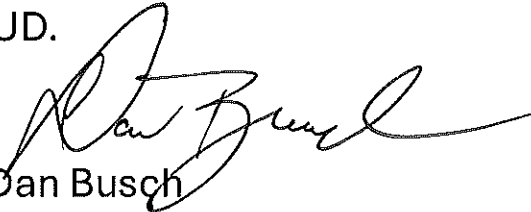
December 11, 2024 at 10:00 am

- | | |
|--------------------------------|---------------------------------|
| 1. Dan Busch | 16. Robert Parkinson |
| 2. Sara Manning | 17. Joseph Anselms |
| 3. Pete Watson | 18. Les Sweet |
| 4. D. NOBLE | 19. John Kelling |
| 5. A. Gvinger | 20. Dan Ramsey |
| 6. MR Smith | 21. _____ |
| 7. MIKE BRINDLE | 22. _____ |
| 8. Lynette Kackener | 23. _____ |
| 9. Dillon O A | 24. _____ |
| 10. Sara Turner | 25. _____ |
| 11. Freida Cook | 26. _____ |
| 12. Dianne Wardlaw | 27. _____ |
| 13. Joe Durbhut | 28. _____ |
| 14. Jim Wynn | 29. _____ |
| 15. [Signature] | 30. _____ |

December 9th, 2024

LKSUD request

I am making a written request for one copy of the latest audited financial report for the LKSUD.

A handwritten signature in black ink, appearing to read "Dan Busch", written in a cursive style.

Dan Busch

1332 Kiowa drive east

Lake Kiowa Texas

JOSEPH ANSELMO
213 COLT DR.

LAKE KIDWA
LOT 599

12/11/24

PLEASE PROVIDE A COPY OF MOST RECENT
FINANCIAL STATEMENT FOR L'KSUD.

A handwritten signature in blue ink, appearing to be 'J. Anselmo', with a long horizontal stroke extending to the right.