

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING

June 19, 2014

MINUTES

Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.

- The Board of Directors of Avalon Water and Sewer Service Corporation met for their regularly scheduled meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, June 19, 2014.
 - Directors present were David Waishes, Gary Low, Robin Donaldson, Manuel Rodriguez and Denice Wimbish. Also present, General Manager, Ed Hettinger and Operations Manager Gregg Rodriguez.
 - Visitors present were Patsy Russell, Pam Munguia, Jimmy Brown, Candace Brewster and Jan Hettinger.
1. President David Waishes, called the meeting to order at 7:00 p.m. A quorum was declared present by Gary Low. General Manager stated notices were legally posted according to TOMA.
 2. Discuss and authorize new signature cards at bank.
 - Motion made by Gary Lowe to authorize David Waishes, Jacob Carter and Robin Donaldson as signers on the checking account at First State Bank in Italy. Motion 2nd by Jacob Carter. Motion passed unanimously.
 3. Discuss obtaining a safety deposit box at bank.
 - Motion made by Manuel Rodriguez to rent the largest box available at First State Bank in Italy to secure valuable water supply documents. The cost of these boxes: 5x10 - \$30.00 annually or a 4x10- \$25.00 annually. Two keys will be issued. David Waishes will possess one and Ed Hettinger the other. Motion 2nd by Denice Wimbish. Motion passed unanimously.
 4. Discussion and decision about moving water payment drop box from Fire Department to Water Office.
 - Fire department representative has stated that the Avalon Water Supply has left the Fire Department door unlocked when checking the water payments drop box. To eliminate future problems, a secure steel drawer could be installed at the water office. Proper notice will be given to water customers of the upcoming move of the payment drop box. Signs with a disclaimer can be posted at the water office and fire department. A notice can be printed on water bills to give customers ample time to adjust to the change. Motion made by made by Jacob Carter to change payment drop box to water office

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with the details as stated above. Motion 2nd by Manuel Rodriguez. Motion passed unanimously.

5. Victor Ledesma to address board about his meter readings.
 - Mr. Ledesma was not present at meeting. Motion made by Jacob Carter to table agenda item. 2nd by Denice Wimbish. Motion passed unanimously.
6. Jimmy Brown to address board regarding cost of activating old meters in the past and complaint that the Fire Department door has been left open.
 - Fire Department door addressed in agenda item #4.
 - Addresses in question on activating old meters are 403 Hwy 34, 108 and 109 Sissom Rd. Jimmy stated the approximate amount in question is \$1250.00. He has questioned Hilco in the past when the water supply was under their management. The situation has never been resolved. Jimmy had no proof of amounts he previously paid on his person nor did he have exact dates when amounts were paid. He will check his personal records for any receipts, cancelled checks or other paper trail of payments he has made. David Waishes stated we can contact Hilco regarding this matter since we do not have the records going back that far at our disposal. Motion made by Jacob Carter to send letter to Hilco regarding Jimmy Brown's question and concerns. Emails from Hilco will also be researched for data pertinent to this situation. 2nd by Manuel Rodriguez. Motion passed unanimously.
7. Review minutes of Annual meeting of April 10, 2014 and accept or amend.
 - TCEQ has stated that we need to sign and approve the minutes of the 2014 annual meeting now. We do not have to wait until the 2015 annual meeting to do so. Motion by Denice Wimbish to approve minutes with one correction, strike the final "e" on board member Gary Low's name. 2nd by Jacob Carter. Motion passed unanimously.
8. Review minutes of Regular meeting of May 8, 2014
 - Motion by Jacob Carter to accept minutes as presented. 2nd by Manuel Rodriguez. Motion passed unanimously.
9. Review minutes of Special meeting of May 15, 2014.
 - Motion by Manuel Rodriguez to accept minutes as presented. 2nd by Denice Wimbish. Motion passed unanimously.
10. Review financials and approve or amend
 - There was discussion regarding water loss. Ed and Jan still feel there is a fault within in the RVS system software that produces an incorrect figure of water loss. Another contributing factor is old meters that we are replacing slowly but surely. This matter is uppermost in the water boards mind to explain and resolve.

- Motion made by Manuel Rodriguez to accept the financial report as presented. 2nd by Gary Low. Motion passed unanimously.

11. Discussion regarding new rate increase

- Gary Low reported on research he has done on water rates for several surrounding areas systems. Our rates comparatively speaking, are right on target with other area rates. This being said, it was decided to table the rate increase. Gary & Jacob volunteered to serve on committee to investigate water loss and research at our large water usage customers with the rates that are applicable to them. Motion made by Manuel Rodriguez and 2nd by Denise Wimbish to table rate increase and allow above committee to research avenues to resolve these areas of concern. Motion passed unanimously.

12. Discussion of Patsy Russell's claim that churches only have to pay minimum water bill.

- Motion made by Gary Lowe to table item #12 until further information is gathered from other church on water system. 2nd by Manuel Rodriguez. Motion passed unanimously.

13. Discussion of granting Office Administrator authority to develop and distribute any and all forms necessary for day to day administration and operation of the office including but not limited to creating and distributing forms and applications to the public at their request.

- Motion made by Jacob that office administrator be granted the authority to make decisions regarding the above referenced items. Their guidelines - to always be in compliance with the tariff and bylaws of Avalon Water Supply. 2nd by Gary Low. Motion passed unanimously.

14. Discuss and vote on procedures relating to volunteer workers.

- No action taken

15. Operation Manager's report

- Effluent line work completed at sewer plant
- Blue water tank repaired. Two samples taken showing good results.
- Cartwright Road bore complete and working.
- Front galvanized tank has a leak.
- 5 year inspection, pressure on North side down. One pump working at this time. In need of repairs.
- Well 2 needs repairs to return to full service. It has been anonymously reported to TCEQ as abandoned. Ed will speak to this in his report.
- Gregg reported we have 2 1/2 - 3 feet exposed pipe on Tee's road due to Creek Land & Cattle clearing land. He is looking at options to correct this problem.

16. General Manager's report

- We have had a Texas Workforce audit. During the time Dean Carrell was running the office, reports were not filed correctly for some of his extra workers. Approximate cost was \$200.00
 - Our permit request will be placed on the uncontested docket in late July. We have had some legal expenses due to the complaint filed by the Brewsters. Jacob Carter asked to have them placed on next meeting agenda.
17. Executive session to discuss replacement of Hettingers at 9:09 p.m. – 9:43 p.m.
- No action taken
18. Return to regular session
19. President's report
- None
20. Open forum
- Ed has called TCEQ about anonymous abandoned well report. They will inspect this well and give us the time frame of September 1, 2014 to make repairs. We will have a special meeting on June 23, 2014 to vote on bids for well repair.
 - Candace Brewster stated that she did not file a complaint on the Avalon Water Supply, her husband did. She felt the remarks addressing her were unnecessary. It is noted that apologies were made for said remarks.
 - Candace Brewster resigned from the Credentials Committee.
 - Jimmy Brown asked that discussion regarding sewer lines on 104 Blooming Grove be on next month's agenda, due to length of current meeting.
21. Adjournment
- Robin Donaldson made a motion to adjourn at 9:57 p.m. Second by Jacob Carter. Motion passed unanimously.

Approved by the board of directors this _____ day of _____ 2014.

David Waishes, President

Robin Donaldson, Sec/Treas

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**AVALON WATER AND SEWER SERVICE CORPORATION
BOARD OF DIRECTORS SPECIAL MEETING**

June 23, 2014

MINUTES

Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.

- The Board of Directors of Avalon Water and Sewer Service Corporation met for a special meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Monday, June 23, 2014.
- Directors present were David Waishes, Manuel Rodriguez, Ricky Johnston and Denice Wimbish. Also present, General Manager, Ed Hettinger and Operations Manager Gregg Rodriguez.
- Visitors present were Carol Gillespie, Candace and Chris Brewster and Jan Hettinger.

1. President David Waishes, called the meeting to order at 7:00 p.m. A quorum was declared present by Ricky Johnson. General Manager stated notices were legally posted according to TOMA.
2. Discuss and act on bids for repair on well #2
 - Three bids were given. Ed recommended soft start motor at a cost of \$44,652.10. This type motor should have a longer life span because there is less stress on it. TCEQ wants well on line by September 2014.
 - Motion made by Ricky Johnston to accept the bid as stated above. 2nd by Manuel Rodriguez. Motion passed unanimously.
3. Adjournment
 - Motion made by Manuel Rodriguez to adjourn at 7:09 p.m. 2nd by Ricky Johnston. Motion passed unanimously.

Approved by the board of directors this _____ day of _____ 2014.

David Waishes, President

Denice Wimbish, Acting Secretary

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AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS SPECIAL MEETING

June 30, 2014

MINUTES

Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.

- The Board of Directors of Avalon Water and Sewer Service Corporation met for a special meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Monday, June 30, 2014.
- Directors present were David Waishes, Gary Lowe, Jacob Carter, Robin Donaldson and Denice Wimbish. Also present, General Manager, Ed Hettinger and Operations Manager Gregg Rodriguez.
- Visitors present were Chris Brewster, Jean Sanders, Mary Woods, Carol Gillespie and Jan Hettinger.

1. President David Waishes, called the meeting to order at 7:00 p.m. A quorum was declared present by Jacob Carter. General Manager stated notices were legally posted according to TOMA.
2. Consideration and action on replacement of office personnel.
 - Ed and Jan Hettinger have recommended Heather Howell for employment. She has office, customer service, computer and bookkeeping experience. She is willing to work up to 30 hours week.
3. 7:19 p.m. the board went into Executive Session to discuss employment details of hiring office personnel. Executive Session ended at 7:42 p.m.
4. Regular session reconvened. Action to be taken - hire office personnel.
 - Motion made by Gary Low to hire Heather Howell at \$10.00 per hour. 2nd by Jacob Carter. Motion passed unanimously.
5. Adjournment
 - Motion made by Robin Donaldson to adjourn at 7:44 p.m. 2nd by Denice Wimbish. Motion passed unanimously.

Approved by the board of directors this _____ day of _____ 2014.

David Waishes, President

Robin Donaldson, Sec/Treas

AVALON001693

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS REGULAR MEETING

July 10, 2014

MINUTES

Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.

- The Board of Directors of Avalon Water and Sewer Service Corporation met for a regular meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, July 10, 2014.
- Directors present were David Waishes, Gary Low, Jacob Carter, Robin Donaldson & Ricky Johnston. Also present, General Manager, Ed Hettinger and Operations Manager Gregg Rodriguez.
- Visitors present were Candace Brewster, Jean Sanders, Mary Woods, Carol Gillespie, Marcia Gillespie and Jan Hettinger.

1. President David Waishes, called the meeting to order at 7:00 p.m. A quorum was declared present by Ricky Johnston. General Manager stated notices were legally posted according to TOMA.
2. Operation Manager's report
 - Blue tank drained due to complaints of bad taste of water. Manufacturer and installer will be consulted on how to proceed.
3. General Manager's report
 - Financials have been sent to Kendall Stone.
 - Ed, Gregg and Gary Low met with Creek Cattle Co. regarding exposed pipe and other issues due to CCC excavation. CCC will bear the expense of the repairs.
 - Heather and Jacob working implementing quickbooks and an interface with the RVS software.
 - TCEQ will be coming to the Sewer Plant at 1:30 pm July 11, 2015 for a visit.
4. President's Report
 - David welcomed Heather into her position in Avalon WSC office.
5. Assignment of responsibilities of personnel.
 - Gary Low has offered to serve as general manager. He will not be in the office daily. However, his residence is in close proximity to the office. He can be contacted when necessary. David stated that Gary can ask at any time for help

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and may state at any time that he is unable to continue in the position of General Mgr.

6. Review minutes of regular meeting, June 19, 2014 and accept or amend.
 - Motion made by Jacob Carter, 2nd by Gary Low to amend minutes and approve. Motion passed unanimously.
7. Review minute of Special meeting, June 23, 2014 and accept or amend.
 - Motion made by Ricky Johnston, 2nd by Jacob Carter to accept minutes as written. Motion passed unanimously.
8. Review minutes of Special meeting, June 30, 2014 and accept or amend.
 - Motion made by Gary Low to amend minutes, 2nd by Jacob Carter. Motion passed unanimously.
9. Review financials and approve or amend.
 - Motion made by Jacob Carter accept financials, 2nd by Gary Low. Motion passed unanimously.
10. Victor Ledesma to address board about his meter readings.
 - Victor not present at meeting

Approved by the board of directors this _____ day of _____ 2014.

David Waishes, President

Robin Donaldson, Sec/Treas

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS SPECIAL MEETING

November 20, 2014

MINUTES

Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.

- The Board of Directors of Avalon Water and Sewer Service Corporation met for a special meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, November 20, 2014.
- Directors present were David Waishes, Jacob Carter, Robin Donaldson and Denice Wimbish.
- Also present, Operations Manager Gregg Rodriguez.
- Visitors present were Candace Brewster, Tommie Worthy, Jo Beth Martin, Dudley Martin, Ed and Jan Hettinger.

1. President David Waishes, called the meeting to order at 7:00 p.m. A quorum was declared present by Jacob Carter. David stated notices were legally posted according to TOMA.

2. Action Agenda

- A. Consider Jo Beth Martin for selection as General Manager. Discuss roles & responsibilities, salary and amount of time required for this position. Decide and take appropriate action.
- B. Go into executive session to discuss the resignation of board members Manuel Rodriguez and Ricky Johnston and the appointment of board members to fill their vacancies until the annual meeting.
- C. Board went into executive session at 7:23 p.m.
- D. Return from executive session at 8:20 p.m. Motion made by Jacob Carter and second by Denice Wimbish, to hire Jo Beth Martin as general manager at an hourly rate of \$12.50 per hour. Motion carried unanimously. Jo Beth will assume minor duties immediately and begin in the office December 1, 2014.
- E. David stated he had spoken to Jimmy Brown, Matilda Williams and Chris Brewster, who ran in the last board election. Jimmy and Matilda stated they were willing to serve on the board. Chris is travelling a great deal on the job. He stated it would be difficult to serve on the board at this time. Ed Hettinger had offered to serve but withdrew his offer earlier in the meeting since others who had run in the last election expressed the willingness to serve. Denice

Wimbish made motion to appoint Jimmy Brown and Matilda Williams as board member to replace resigning members. Second by Jacob Carter, motion passed unanimously.

3. Motion to adjourn meeting at 8:32 p.m. made by Robin Donaldson, second by Jacob Carter. Motion passed unanimously.

Approved by the board of directors this _____ day of _____ 2014.

David Waishes, President

Robin Donaldson, Sec./Treas

40 December 2014
meeting

On September 13, 2011, the Avalon Water Board met in a Special Meeting at 7:02 p.m. in the First Baptist Church Avalon annex. Presence of quorum was determined with board members, Patsy Russell, John Goodwyn, Santos Munguia, Harrison Romero and Robin Donaldson present. Also present Avalon Water and Sewer employee, Gregg Rodriguez, guest presenter, Dean Carrell, visitors Marcia and Carol Gillespie. Purpose of the meeting was for information and possibility of hiring Dean Carrell to oversee, help manage renovation of sewer system and act as liaison to the state/TCEQ.

Dean Carrell gave a power point presentation of the existing sewer system. There was discussion concerning the rehab of the sewer system and communication with the state concerning permits, etc.

Dean Carrell offered to help oversee the system for \$1250.00 per month. This would involve him serving in a advisory/supervisory position and acting as a liaison with the state/TCEQ. It would also enable us to work under his license for 1 year. Gregg Rodriguez and possibly John Goodwyn would be able to do this. Gregg doing the physical portion of the sewer plant upkeep. Bowman H2 O would be released/dismissed from our employ with a 30 day notice. John Goodwyn would inform them Bowman of this if so decided to take this action.

At 8:08 pm, the board went into executive/closed session. After discussion a motion was made by Harrison Romero that we hire Dean Carrell to serve as an advisor, supervisor, and liaison to the state/TCEQ for the Avalon Sewer System. The motion was second my Santos Munguia. Vote was unanimous. Executive session closed at 8:17 pm.

Dean Carrell was informed of the decision. John Goodwyn will inform Bowman as was discussed earlier in the meeting.

Minutes

THIS AGREEMENT made the 8th day of December, 2011, by and between **DEAN CARRELL**, hereafter called Consultant, and **AVALON WATER & SEWER SERVICE CORPORATION**, hereinafter called **OWNER**

WITNESSETH that the Consultant and the Owner for the considerations named are as follows:

SCOPE OF WORK: The Owner shall furnish all materials, and the Consultant shall perform all of the work on the property at Avalon Water and Sewer Corporation's wastewater treatment plant, unless both parties agree to a subcontractor (Ex: SCADA)

WORK PERFORMED: Consult and hold certification as Chief Operator. Help with the engineers and general contracts for the rehabilitation of the Avalon Wastewater Treatment Plant, however is not limited to any or all. Whereas to operate the Avalon Wastewater Plant in a daily and monthly operation in accordance with the Rules and Regulations set forth by the Texas Commission on Environmental Quality.

Whereas as Consultant is to ensure the Owner gets any and all confirmation needed to make decisions on the projects regarding Avalon Wastewater Plant.

Whereas the Owner shall provide one Operator In Training as well as any access to the Avalon Wastewater Plant that will help better perform Consultant and Operator In Training's duties.

Whereas Owner shall provide any and all files or records needed.

CONTRACT TERM: Contract is to be in force for one year from contract date. At the end of said contract, Owner and Consultant can agree to renew contract on a year by year basis.

PAYMENT TERMS: Whereas Owner agrees to compensate Consultant in the amount of **One Thousand Two Hundred and Fifty dollars** on the **Second Thursday** of each month. If Consultant's duties are to exceed that mentioned above, the Owner agrees to additional compensation of **FIFTEEN DOLLARS PER HOUR**, also to be paid on the **Second Thursday** of each month with the original base fee. Owner also agrees to reimburse Consultant for any postage fees incurred from sending official mail on behalf of Owner that was paid by Consultant.

OTHER TERMS: If the duties of Consultant move to ensuring that the Avalon Wastewater Treatment Plant targets grants to improve the infrastructure of the Avalon Wastewater Treatment Plant (Ex. Community Development Block Grants or any other grants available through the State of Texas), then total compensation will be **One Thousand Six Hundred and Fifty Dollars** per month.

TERMINATION OF CONTRACT: Should Owner or Consultant conclude that this agreement should be revised or terminated, **30 day written notice** is to be given to the other party.

PENALTY: Should Owner and Consultant both agree to terminate the contract, there will be no penalty. Should one party terminate contract without just cause, the other party will pay the remainder of the contract.

Signed, this 8th day of December, 2011


Representative
Avalon Water & Sewer Service Corporation


Dean Carrell, Consultant

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**AVALON WATER SEWER
SPECIAL MEETING MINUTES**

1/5/2012

Members present, Manuel Rodriguez, Santo Munguia, John Goodwyn, Harrison Romero, Patsy Russell, Denice Wimbish and Robin Donaldson. Also present employee, Gregg Rodriguez, consultant Dean Carrell, and his asst. Wendy Frank.

Also present Kent Smith- Hilco, Cindy Sutherland – Neotribune reporter, Gillespie sisters and KSA Engineers Rep.

Meeting called to order 7:03 P.M.

Carol Gillespie read a lengthy letter concerning purchase of their family land and easements.

Dean Carrell reported on the sewer system and cleanup thus far. He asked to table KSA engineering presentation until they have more information to them determine what can or cannot be done with the existing sewer plant . We do need a motion stating for intent to contract with KSA. This motion was made by Manuel Rodriguez and second by John Goodwyn. Vote was unanimous.

There was discussion about a contract between Dean Carrell and Avalon Water Sewer, Corp. This contract would involve an increase in salary to Dean in the event that he spends extra time on processing paperwork for grants. Original compensation \$1250.00 per month. In the event extra time for grants amount compensation will be \$1650.00 per month.

Manuel Rodriguez made a motion to accept the salary increase second by Santos Munguia. Unanimous vote to approved motion.

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Gregg Rodriguez, informed the board of needed expenditures for improvements/upgrading and repair to the sewer plant. Such as purchase of wiring, float, renting a trencher, pipe and conduit. There was discussion concerning these expenditures. Costs will be minimal.

John Goodwyn made motion to adjourn. Manuel Rodriguez second. Unanimous vote to adjourn at 7:47 P.M.

Avalon Water and Sewer Service Corp

Board of Directors Meeting March 8, 2012

MINUTES

The Board of Directors of Avalon Water and Sewer Service Corporation met for their regularly scheduled meeting at the First Baptist Church Avalon, Texas 7:00 pm on Thursday March 8, 2012.

Directors present for this meeting were Patsy Russell, Robin Donaldson, Denice Wimbish, Harrison Romero, Avalon employee Gregg Rodriguez and Dean Carrell Sewer Plant Consultant, Wendy Frank Assistant to Dean Carrell. Present from HILCO Electric Cooperative was Kent Smith Water Operations Manager and Abby Bason Water Customer Service Representative.

Meeting was called to order at 7:10 p.m. by Board President Patsy Russell and determined the presence of a quorum.

There were two members present Marcia & Carol Gillespie. Visitors present were Cindy Sutherland with the Neo-Tribune of Italy and Scott Hoelzie with KSA.

With a motion by Harrison Romero, David Waishes was appointed to fill John Goodwyn's unexpired term. Second by Denice Wimbish, motion carried unanimously.

Minutes of the Special Meeting held January 5, 2012 were approved with a motion by Harrison Romero, second by Denice Wimbish. Motion carried unanimously.

Minutes of previous meeting of February 9, 2012 approved with a motion by Harrison Romero, second by Robin Donaldson. Motion carried unanimously.

Harrison Romero made a motion to approve the financial report for payment of current expenses, second by Denice Wimbish. Motion carried unanimously.

Harrison Romero made a motion to approve the repair invoices, second by Robin Donaldson. Motion carried unanimously.

Dean Carrell updated the Board on the sewer plant; stated smoke test had been done and machine returned, advised that there were several areas of concern. There was four thousand gallons of sludge taken to the Italy plant. Upgrades on sewer plant are going well. Scott Hoelzie with KSA stated that permit renewal was denied by TCEQ; permit was amended and done as a new permit increasing gallonage to forty thousand per day from twenty-five thousand per day. Application/administration fee will be approximately three hundred and fifty dollars.

President Patsy Russell advised Board that USDA Loan was pulled due to nothing being done. Patsy asked that Item #13 of the agenda concerning the Gillespie Land Purchase be discussed in Executive Session.

Harrison Romero made a motion to hire Attorney Jesse Munguia, second by Denice Wimbish. Motion carried unanimously. Attorney Munguia advised Board that there usually was a one hundred twenty-five dollar retainer but in this case will bill monthly at two hundred dollars an hour. Contract will be presented at April's Board meeting.

Harrison Romero made a motion to hire Everett Russell III (Trey) to help Gregg with reading meters and Trey will be paid ten dollars an hour, second by Robin Donaldson. Motion carried unanimously.

Issue of Health Insurance for Employee Gregg Rodriguez was tabled.

Kent Smith informed Board that a Matt Hamilton had asked about a meter(s) near Scott Green's and since we still owe Scott Green meters he told Mr. Hamilton we could not provide him with a meter at this time.

Harrison Romero made a motion to purchase an additional pump, second by Robin Donaldson. Motion carried unanimously.

Board went into Executive Session at 7:45 pm, returned from Executive Session at 8:25 pm. Patsy Russell stated that after discussion with attorney the Board had agreed to go ahead and practice their right with eminent domain. There will be an appraisal done to find fair market value for varying buffer zone of five hundred to eight hundred feet. There will be a letter sent to surrounding land owners advising them of the findings and offer.

With there being no further business the meeting was adjourned at 8:30 p.m. with a motion by Robin Donaldson, second by Denice Wimbish. Motion carried unanimously.

APPROVED BY THE BOARD OF DIRECTORS THIS _____ DAY OF _____ 2012.

Patsy Russell, President

Robin Donaldson, Sec/Trea

AVALON001706

Avalon Water and Sewer Service Corp

Board of Directors Meeting

March 8, 2012

AMENDED MINUTES

The Board of Directors of Avalon Water and Sewer Service Corporation met for their regularly scheduled meeting at the First Baptist Church Avalon, Texas 7:00 pm on Thursday March 8, 2012.

Directors present for this meeting were Patsy Russell, Robin Donaldson, Denice Wimbish, Harrison Romero, Avalon employee Gregg Rodriguez and Dean Carrell Sewer Plant Consultant, Wendy Frank Assistant to Dean Carrell. Present from HILCO Electric Cooperative was Kent Smith Water Operations Manager and Abby Bason Water Customer Service Representative.

Meeting was called to order at 7:10 p.m. by Board President Patsy Russell and determined the presence of a quorum.

There were two members present Marcia & Carol Gillespie. Visitors present were Cindy Sutherland with the Neo-Tribune of Italy and Scott Hoelzle with KSA.

With a motion by Harrison Romero, David Waishes was appointed to fill John Goodwyn's unexpired term. Second by Denice Wimbish, motion carried unanimously.

Minutes of the Special Meeting held January 5, 2012 were approved with a motion by Harrison Romero, second by Denice Wimbish. Motion carried unanimously.

Minutes of previous meeting of February 9, 2012 approved with a motion by Harrison Romero, second by Robin Donaldson. Motion carried unanimously.

Harrison Romero made a motion to approve the financial report for payment of current expenses, second by Denice Wimbish. Motion carried unanimously.

Harrison Romero made a motion to approve the repair invoices, second by Robin Donaldson. Motion carried unanimously.

Dean Carrell updated the Board on the sewer plant; stated smoke test had been done and machine returned, advised that there were several areas of concern. There was four thousand gallons of sludge taken to the Italy plant. Upgrades on sewer plant are going well. Scott Hoelzle with KSA stated that permit renewal was denied by TCEQ; permit was amended and done as a new permit increasing gallonage to forty thousand per day from twenty-five thousand per day. Application/administration fee will be approximately three hundred and fifty dollars.

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President Patsy Russell advised Board that USDA Loan was pulled due to nothing being done. Patsy asked that Item #13 of the agenda concerning the Gillespie Land Purchase be discussed in Executive Session.

Harrison Romero made a motion to hire Attorney Jesse Munguia, second by Denice Wimbish. Motion carried unanimously. Attorney Munguia advised Board that there usually was a two hundred dollar retainer but in this case will bill monthly at one-hundred twenty-five dollars an hour. Contract will be presented at April's Board meeting.

Harrison Romero made a motion to hire Everett Russell III (Trey) to help Gregg with reading meters and Trey will be paid ten dollars an hour, second by Robin Donaldson. Motion carried unanimously.

Issue of Health Insurance for Employee Gregg Rodriguez was tabled.

Kent Smith informed Board that a Matt Hamilton had asked about a meter(s) near Scott Green's and since we still owe Scott Green meters he told Mr. Hamilton we could not provide him with a meter at this time.

Harrison Romero made a motion to purchase an additional pump, second by Robin Donaldson. Motion carried unanimously.

Board went into Executive Session at 7:45 pm for the purpose of legal options on land acquisition, returned from Executive Session at 8:25 pm. Patsy Russell stated that after discussion with attorney the Board had agreed to go ahead and practice their right with eminent domain, there will be an appraisal done to find fair market value for varying buffer zone of five hundred to eight hundred feet and there will be a letter sent to surrounding land owners advising them of the findings and offer, motion made by Harrison Romero, second by Robin Donaldson. Motion carried unanimously.

With there being no further business the meeting was adjourned at 8:30 p.m. with a motion by Robin Donaldson, second by Denice Wimbish. Motion carried unanimously.

APPROVED BY THE BOARD OF DIRECTORS THIS _____ DAY OF _____ 2012.

David Waishes, President

Robin Donaldson, Sec/Trea

AVALON001708

AVALON WATER SEWER SERVICE CORPORATION
SPECIAL MEETING
April 30, 2012

1. At 7:08 p.m. the meeting was called to order by President David Waishes. A quorum was determined. Board members present, David Waishes, Manuel Rodriguez, Harrison Romero, Denice Wimbish, Robin Donaldson. Also attending, board attorney, Jesse Munguia. Visitors attending - Carol Gillespie, Marcia Gillespie, Mary Bates, Pam Munguia, Jimmy Brown, Wayne Hastings, Jeremy Langley, Patty Hernandez and Neotribune reporter, Cindy Sutherland.
2. Approval of April 9, 2012 minutes will take place at regular scheduled meeting May 10, 2012.
3. David Waishes informed the board that two board members, Patsy Russell and Santos Munguia have submitted their resignations. Harrison Romero made a motion to accept the resignations, Denice Wimbish seconded the motion. Unanimous vote to accept resignations. Two individuals have expressed a desire to serve on the board, Jimmy Brown and Jeremy Langley. Harrison Romero made a motion that these two men be appointed to fill the remaining terms of Patsy Russell and Santos Munguia. Manuel Rodriguez seconded the motion. Unanimous board vote in favor of appointees.
4. Harrison Romero made a motion to table the discussion and action on legal representation, seconded by Manuel Rodriguez. Vote was unanimous to table.
5. At the advice of board attorney, the board moved into executive session at 7:17 p.m. The board moved out of executive session at 8:16 p.m.
6. After reconvening the Special Called Meeting, the president stated that during the Executive Session the board discussed both alleged violations of the Texas Open Meeting Act and an alleged attempt to blackmail the board with their attorney. He stated that everything discussed is protected by Attorney-Client Privilege and therefore shall not be disclosed. The President's final statement was that since no action is being taken no vote shall be cast. There being no further business, Harrison Romero made a motion to adjourn, Denice Wimbish seconded the motion. Unanimous vote to close meeting. Close of meeting 8:18 p.m.

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Minutes take by Robin Donaldson

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AVALON WSSC
SPECIAL MEETING MINUTES
10/16/2012

The Board of Directors of Avalon Water and Sewer Service Corporation met for a special meeting at the First Baptist Church at 206 Giles St., Avalon, Texas at 7:00 p.m. on Tuesday, October 16, 2012.

Meeting was called to order at 7:20 p.m. and presence of a quorum was determined.

Directors present were Harrison Romero, Manuel Rodriguez, Jeremy Langley and Denice Wimbish.

Harrison made a motion to hire K. J. McDonnell for the exit audit and budget analysis for Avalon WSSC. Manuel seconded the motion. Motion carried unanimously.

Manuel made a motion to appoint David Waishes as general manager of Avalon WSSC, with a max spending authority of \$5,000.00, without board approval, month to month. Jeremy seconded the motion. Motion carried unanimously.

Regarding replacement of Hilco as management for Avalon WSSC:

Denice made a motion that bids for admin will be taken by David Waishes beginning 10/16/2012 and end on or before 11/2/2012. Harrison seconded the motion. Motion carried unanimously.

Table discussion of CLE conference for water and sewer

Harrison made the motion to approve exit time line with Hilco.
Manuel seconded the motion. Motion carried unanimously.

Denice made a motion to adjourn, Harrison seconded the motion. Motion carried unanimously.
Meeting adjourned at 8:15 p.m.

AVALON WATER SEWER SERVICE CORPORATION

SPECIAL MEETING

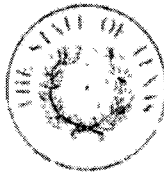
November 1, 2012

First Baptist Church Avalon Annex

1. Meeting was called to order by Vice President Jimmy Brown at 7:00 p.m. Presence of quorum was determined. Board members present: Manuel Rodriguez, Harrison Romero, Denice Wimbish, Robin Donaldson and Jimmy Brown. Also attending, board attorney, Jesse Munguia, consultant- Dean Carrell and his assistant- Wendy Frank. Visitors attending - Carol Gillespie, Marcia Gillespie.
2. Dean Carrell presented a bid handout to board members for management of water system upon Hilco's exit as manager. The bid stated Dean and Wendy would each receive \$900.00, per month as salary. Complete bid handout available upon request from board members and attorney. Jimmy Brown also stated that Petra Bruner has expressed interest in being trained to do billing and manage a local office once transition is completed.
3. A motion was made to move agenda items #4 and #5 to be covered after executive session.
4. At 7:37 p.m. the board moved into executive session. The board moved out of executive session at 8:19 p.m. Executive session is covered under attorney client privilege.
5. Robin made a motion to accept the contract from Dean Carrell, while making good faith negotiation with the only material change being price per person for labor. Harrison second, motion carried unanimously.
6. Harrison made a motion to purchase RVS items as listed in handout from Dean Carrell, totaling \$6270.44. Denice second, motion carried. Motion made by Robin to strike the above motion, second Denice. Motion carried. Amount for purchase of RVS items did not include shipping. New motion made by Harrison, to purchase RVS items including shipping, second by Manuel. Motion carried.
7. Manuel made a motion to purchase a computer and printer/fax combo for water board office not to exceed \$2,000.00. Harrison second, motion carried.
8. There was discussion concerning purchase of cell phone for employee Gregg Rodriguez, since Hilco has supplied a phone in the past. A motion was made by Robin to table this item until more research on prices can be made. Second by Denice. Motion carried.
9. There was discussion concerning our present building and a site for the local water board office. Manuel made a motion to table discussion until next regular meeting, Denice second. Motion carried.
10. Robin made a motion to adjourn, Harrison second. Motion carried. Meeting adjourned at 8:50 p.m.

AVALON001712

Bryan W. Shaw, Ph.D., Chairman
Carlos Rubinstein, Commissioner
Toby Baker, Commissioner
Zak Covar, Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 14, 2012

Mr. David Waishes, President
Avalon Water Supply and Sewer Service Corporation
P.O. Box 246
Itasca, Texas 76055

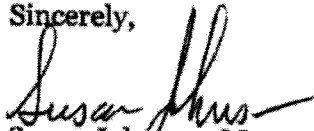
Re: Notice of Compliance with Agreed Order
Avalon Water Supply and Sewer Service Corporation
RN101511863; TPDES Permit No. WQ0013981001
Docket No. 2011-1488-MWD-E; Enforcement Case No. 36741

Dear Mr. Waishes:

This letter is to inform you that a review of Texas Commission on Environmental Quality (TCEQ) records concerning the above-referenced enforcement matter indicates that Avalon Water Supply and Sewer Service Corporation has fulfilled the requirements of the Agreed Order effective on November 11, 2012. Specifically, Avalon Water Supply and Sewer Service Corporation has fulfilled the technical requirements in the Order. Based upon this, we conclude that your response has been satisfactory and no further action is necessary at this time with respect to this enforcement matter. The Order will terminate on November 11, 2017, provided Avalon Water Supply and Sewer Service Corporation maintains compliance with all terms and conditions of the Order.

We appreciate your cooperation, and if we can be of any further assistance, please contact Mr. Jorge Ibarra, P.E., at (817) 588-5890.

Sincerely,


Susan Johnson, Manager
Enforcement Division

cc: Mr. Sid Slocum, Manager, Water Section, Dallas/Fort Worth Regional Office,
TCEQ

AVALON WATER AND SEWER SERVICE CORPORATION

**BOARD OF DIRECTORS MEETING
JANUARY 10, 2013**

MINUTES

The Board of Directors of Avalon Water and Sewer Service Corporation met for their regularly scheduled meeting at the First Baptist Church, Avalon, Texas 7:00 p.m. on Thursday, December 13, 2012.

Directors present for this meeting were David Waishes, Jimmy Brown, Robin Donaldson, Denice Wimbish, Manuel Rodriguez, and Jeremy Langley.

President David Waishes called the meeting to order at 7:00 p.m. and Jimmy Brown determined the presence of a quorum.

Visitors present were Mary Bates and Carol Gillespie. Also present were Dean Carrell, Wendy Frank, Clint McCasland, and Jacob Hopkins, and Jesse Munguia, and Maria Estrada.

Resident Maria Estrada spoke to the board regarding water bill concerns, and overcharges on the sewer. Board assured her that the issue would be resolved, and an adjustment would be made to her bill to correct the error.

After reviewing the minutes from the December 2012 meeting, a motion was made by Jimmy Brown and seconded by Manuel Rodriguez to table approval of the minutes until some errors in wording were corrected. Motion passed unanimously.

The financial reports for December 2012 and January 2013 were reviewed. Motion was made by Jimmy Brown to approve the financial report for December. Motion was seconded by Manuel Rodriguez. Motion passed unanimously.

A separate motion was made by Jimmy Brown to approve the financial report for January. Motion was seconded by Manuel Rodriguez. Motion passed unanimously.

A motion was made by Jimmy Brown to table the refund request for his rental properties at 108 Sissom and 403 E. Hwy 34 until research could be done on the matter, and the amount of refunds could be determined, if any.

A motion was made to table the matter of previous payment arrangements made by customer Susan Snellings with HILCO, until research could be done on how much the balance is on the charges, and any documentation supporting these arrangements.

The board discussed the resignation of attorney Jesse Munguia, per the letter submitted to the board on December 15, 2012. Per the terms of the contract between the board and Jesse Munguia, the final day of counsel will be February 15, 2013. Jesse advised that the details of the resignation should be moved to executive session. Motion was made nby Jimmy Brown to accept Jesse's resignation. Motion was seconded by Manuel Rodriguez. Motion passed unanimously.

President David Waishes commented during the President's Report that the transition of the water billing system is under control. He stated that there will be no harm to the customers during this transition time. David also stated that he appreciates all the efforts from everyone during the last couple of months.

Dean Carrell stated that the wastewater plant is working very well. Well enough that small problems can be noticed with ease now. He mentioned that there are some changes that will need to be made, and would like to add phosphates to the system to help reinforce parts of the system to make it last longer. It is a less expensive way to maintain the plant than going in right now and replacing parts. Dean also notified the board of an upcoming TCEQ inspection that is scheduled for January 24. Gregg Rodriguez commented that the excessive rain over the past couple of days increased the amounts of water in the ponds, almost to capacity.

Gregg Rodriguez stated to the board that there were no major problems with the water system. There had been a small power outage during the rain, but it did not create any problems for the water department.

President David Waishes commented on the water billing, and the consideration of hiring a part time person to work 4 hours a day. He would like to see the board form a committee to look at resumés. David also stated that this would be a transition period until a person has been trained.

During open forum, Vice President Jimmy Brown mentioned a collapsed sewer line between PSC and Avalon's system, and that the problem could possibly be on Camarino's property, and that it needs to be checked out to see where repairs need to be made, and who is responsible for the repairs.

The board went into executive session at 8:00 p.m.

The board reconvened into regular session at 8:23 p.m. No action was necessary due to details being attorney/client privileged.

During a second open forum, there were no comments or concerns.

A motion was made by Robin Donaldson to adjourn at 8:24 p.m.. The motion was seconded by Denice Wimbish, and passed unanimously.

Avalon Water and Sewer Corp
Board of Directors Special Meeting
January 21, 2013

MINUTES

The Board of Directors of Avalon Water and Sewer Service Corporation met for a special meeting at the First Baptist Church, 206 Giles St., Avalon, Texas 7:00 p.m. on Monday, January 21, 2013.

Directors present for this meeting, David Waishes, Manuel Rodriguez, Jimmy Brown, Jeremy Langley, Denice Wimbish and Robin Donaldson. Avalon Employee, Gregg Rodriguez was also present.

Meeting was called to order at 7:00 p.m. by President David Waishes. Vice President, Jimmy Brown determined the presence of a quorum.

There were two water members present, Marcia Gillespie and Carol Gillespie.

David Waishes presented a staffing plan to the board for approval. Copy of plan is attached. Jimmy Brown made a motion to accept the staffing plan proposal with minor changes. Manuel Rodriguez seconded the motion. Motion carried.

David Waishes and Jimmy Brown will oversee hiring of new personnel. Job openings will be posted at the post office through close of business day Friday.

Jimmy Brown made a motion to adjourn. Denice Wimbish seconded the motion. Motion carried.

Meeting adjourned at 7:34 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING

FEBRUARY 14, 2013

MINUTES

1. Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.
 - The Board of Directors of Avalon Water and Sewer Service Corporation met for their regularly scheduled meeting at the First Baptist Church, Avalon, Texas 7:00 p.m. on Thursday, February 14, 2012.
 - President David Waishes called the meeting to order at 7:00 p.m. and determined the presence of a quorum
 - Directors present for this meeting were David Waishes, Jimmy Brown, Robin Donaldson, Denise Wimbish, ~~Manuel Rodriguez~~, and ~~Jeremy Langley~~. *Marcia* *Palacios*
 - Visitors present were Patsy Russell, Carol Gillespie, *Marcia* Gillespie, Oscar and also present were Dean Carrell, Becky Boyd, Greg Rodriguez, ~~Denise~~.
2. Visitor's concerns and comments
 - Patsy Russell and spoke to the board regarding water bill concerns, and overcharges on the sewer. Board assured them that the issue would be resolved.
3. Review and approve minutes of special meeting held January 2013 *Jim Brown min note mtg*
 - Attendees reviewed the minutes from the last meeting. Jim Brown made a motion to approve the minutes of the last meeting and it was seconded by Robin Donaldson Motion passed unanimously
4. Review and approval of minutes of previous meeting January 2013
 - Attendees read the minutes from the last meeting. Jim Brown made a motion to approve the minutes of the last meeting and it was seconded by Robin Donaldson. Motion passed unanimously
5. Review and approval of repair invoices
 - The repair invoices for January 2013 were reviewed. Motion was made by Jim Brown to approve the repair invoices Motion was seconded by Robin Donaldson. Motion passed unanimously.
6. Review and approval of financial report for payment of current expenses
 - The financial report for payment of current expenses was reviewed and Motion was made by Jim Brown to approve the financial report for payment of current expenses for January 2013 Motion was seconded by Robin . Motion passed unanimously.
7. Discuss and act on Creek Land and Cattle water tap fee's on Jack Easton road
 - Dean discussed a contractor doing work on this property request for a grievance for the fee to put in master taps in the some houses he is building. Motion was made that Since he was not there to plead his case the board would not act on it after discussed.
8. President's Report

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING FEBRUARY 14, 2013 MINUTES

- President David Waishes commented during the President's Report a need for safety protocol. And asked Dean Carrell and Greg Rodriguez to work together to get something in writing in places for current and future training for workers who work with the water meters.
9. Managers report on Water and Waste Water treatment plant update
 - Dean Carrell discussed the director's report and explained that it is a basic overview of what is going on with the water. Dean stated that no late charges have been waived for March late charges. However February's charges were waived. Also there were some returned water bills due to incomplete addresses.
 10. Discuss and take action on Board Member Elections
 - A motion was made to table the matter of Board Member Elections by Jim Brown Motion was seconded by Robin Donaldson. Motion passed unanimously.
 11. Discuss and take action on Board Member effective and termination dates
 - A motion was made to table the matter of Board Member effective and termination dates by Jim Brown. Motion was seconded by Robin Donaldson. Motion passed unanimously.
 12. Discuss and take action on payment arrangements with past due customers
 - Discussed that the Corporation should mail all bills on or about the first working day of the month and all bills should be paid on the 18th of every month, if past due beyond the date indicated on the bill allowing 15 days the customer will receive a late fee. If payment is then not received customers services will be terminated. Discussed that customer payment arrangements will be taken on a case by case basis to decide if the customer may receive a payment arrangement to avoid disconnect.
 13. Discuss and take action on water department procedures
 - Dean stated that the Water Department needs procedures put in place for training and organizational purposes. A motion was made to take action on creating water department procedures by Jim Brown. Motion was seconded by Robin Donaldson. Motion passed unanimously.
 14. Discuss and take action on Wendy Franks payroll compensation
 - A motion was made to take action on Wendy Frank's payroll compensation to by Jim Brown. Motion was seconded by Robin Donaldson. Motion passed unanimously.
 15. Discuss and take action on Gregg returning to work and workers comp claim
 - Discussed Greg Rodriguez return to work, under light duty and other some restrictions so he will not injure himself further. Also stated by David Waishes, Greg is also to keep a binder with copies of all medical documentation. A motion was made to take action Gregg returning to work and workers comp by Jim Brown. Motion was seconded by Robin Donaldson. Motion passed unanimously.
 16. Discuss and take action on Web site creation and email address
 - A motion was made to take action on Web site creation and email address by Jim Brown. Motion was seconded by Robin Donaldson. Motion passed unanimously.
 17. Discuss and take action on setting up online banking and procedures

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING

FEBUARY 14, 2013

MINUTES

- A motion was made to take action on setting up online banking by Jim Brown. Motion was seconded by Robin Donaldson. Motion passed unanimously.
18. Discuss and take action on hiring office personal
- A motion was made to take action on hiring office personal by Jim Brown. Motion was seconded by Robin Donaldson. Motion passed unanimously.
19. Executive Session (if required)
- No Session
20. Open Forum
- During the open forum, there was a question of establishing a work order system.
21. Adjourn
- A motion was made by David Waishes to adjourn. The motion was seconded by Robin Donaldson and passed unanimously.

Business office took minutes
Dean Carrell
March - June 2013

AVALON WATER AND SEWER SERVICE CORPORATION
BOARD OF DIRECTORS MEETING

July 11, 2013

MINUTES

1. Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.
 - The Board of Directors of Avalon Water and Sewer Service Corporation met for their regularly scheduled meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, July 11, 2013.
 - President David Waishes called the meeting to order at 7:00 p.m. Vice-President Jimmy Brown confirmed the presence of a quorum.
 - Directors present were David Waishes, Jimmy Brown, Robin Donaldson, Denice Wimbish, Manuel Rodriguez, Rickey Johnston and Jeremy Langley.
 - Visitors present were Carol Gillespie, Marcia Gillespie, Candice Brewster, Chris Brewster, Karen Mathiowetz, Robert Morgan, Dean Carrell, Sandra Carrell, Clint Mccasland, Gregg Rodriguez, Ed Hettinger, Jan Hettinger and Refugio Rodriguez, Jr. FMT Specialist with Texas Rural Water Association.
2. Visitor's concerns and comments:
 - Miss Gillespie requested a copy of minutes and agenda for the meeting.
 - Ed Hettinger announced Gregg Rodriguez citizenship. David Waishes offered congratulations.
 - Robert Morgan had some questions about his water bill . He had pictures of a meter and asked how it is read. Dean was called up to explain how the figures on the meter are interpreted. David Waishes stated that they would check into the issue for Mr. Morgan and get back to him.
 - Candace Brewster requested history of her account. She continues to receive late fees each month. She had paid with cash several months back and stated she did not receive credit for the full amount. David asked if she had received a receipt for the payment. Candace said no. David stated that he would do research, speak with Gregg and get back with her on July 12th to discuss the issue. He also stated that the water company is not supposed to accept payments in cash, since we have no safe or means of security for cash payments. Robert Morgan stated he had a similar problem with a cash payment not being fully credited to his account, but it had since been resolved. David again stressed that cash payments are not to be taken.

AVALON001721

- Chris Brewster asked if the water quality report should have been mailed out to customers. Dean stated that under a certain number of connections you are only required to post the report in a public place, such as the post office where ours was posted.
 - David stated that he and Dean had a phone conversation around the July 1st and that Dean had stated he was terminating his contract with Avalon WSC. David accepted this resignation, effective immediately 7:26 p.m. David did not want David, Sandra, and Clint Mccasland to have to sit through the meeting for no reason. Karen Mathiowetz reporter for the Neotribune stated she would be glad to share her notes of the meeting with Robin Donaldson and help with future agendas if the board so desired.
3. Review and approval of regular meeting minutes, June 13, 2013
 - Motion to approve the regular meeting minutes for June 13, 2013, with no changes by Jimmy Brown, seconded by Manuel Rodriguez. Motion passed unanimously.
 4. Review and approval of financial report for payment of current expenses
 - Motion was made approve the financial report and pay current bills by Rickey Johnston, seconded by Jeremy Langley. Motion passed unanimously.
 5. Discuss and Act on Texas Rural Water Audit and Recommendation findings from Refugio Rodriguez
 - Mr. Rodriguez introduced himself and passed out a report based on the data he had been given by Dean Carrell to determine our needs of the Avalon WSC. There were several areas where Refugio felt the numbers were inaccurate. He advised that the board schedule a workshop to help formulate a better management plan. This workshop will be conducted after a thorough review of our accounting system is completed. The review will provide more accurate data for Refugio to evaluate our system. He stated that rates can be increased over a period of time and won't be such a shock to members and that our tariff can be amended as well. He reminded the board that water and waste water must be separate. Combination of the two in the accounting respect does not render accurate numbers.
 - Motion to review and compile more accurate financials to submit to Refugio by Rickey Johnston, seconded by Manuel Rodriguez. Motion passed unanimously.
 6. Discuss and Act on Possible Capital Projects and Funding Sources
 - Motion to table #6 by Jimmy Brown, second by Denice Wimbish. Motion passed unanimously.
 7. Discuss and act on Avalon WSC hiring a full time employee and the hourly amount to pay

- Motion to delay discussion until after the executive session by Jeremy Langley, seconded by Jimmy Brown. Motion passed unanimously.

8. President's Report

- No report at this time.

9. Sewer & Water Update

- Gregg commented on purchase of lift station due to dry weather conditions.

10. Executive Session – Personnel Matters

- 8:37 p.m. the board went into executive session
- 8:49 p.m. executive session ended David Waishes stated that Ed and Jan Hettinger have volunteered to man the Avalon WSC office. They have extensive accounting experience. Ed has served on the board in years past. He and Jan ran the office prior to Hilco management. They will require no salary and will work as long as required to get the business in order and train a new office employee.
- Motion to accept Ed and Jan Hettinger's offer by Jimmy Brown, seconded by Rickey Johnston. Motion passed unanimously.

Back to #7 on agenda , Discuss and Avalon WSC hiring a full time employee and the hourly amount to pay.

- Motion made to seek expressions of interest for a co-worker for Gregg, made by Jimmy Brown, seconded by Rickey Johnston. Motion passed unanimously.

11. Open Forum

- Discussion regarding different payment methods for water bills. Ed will explore several avenues and report back to the board.
- Discussion on office hours

12. Adjourn

- Motion made to adjourn at 9:10 p.m. by Robin Donaldson, seconded by Jimmy Brown. Motion passed unanimously.

AVALON WATER AND SEWER SERVICE CORPORATION
BOARD OF DIRECTORS MEETING

August 8, 2013

MINUTES

1. Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.
 - The Board of Directors of Avalon Water and Sewer Service Corporation met for their regularly scheduled meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, August 8, 2013.
 - President David Waishes called the meeting to order at 7:00 p.m. Vice-President Jimmy Brown confirmed the presence of a quorum.
 - Directors present were David Waishes, Jimmy Brown, Robin Donaldson, Manuel Rodriguez, Ricky Johnston and Jeremy Langley.
 - Visitors present were Carol Gillespie, Marcia Gillespie, Candice Brewster, Chris Brewster, Karen Mathiowetz, Gregg Rodriguez, Ed Hettinger, Jan Hettinger.
2. Visitor's concerns and comments:
 - None
3. Review and approval of regular meeting minutes, July, 2013
 - Motion to approve the regular meeting minutes for July, 2013, with one change under Item # 2 Visitor Concerns, bullet #6 change name from David to Dean (to be edited on original minutes) by Jimmy Brown, seconded by Ricky Johnston. Motion passed unanimously.
4. Review and approval of financial report for payment of current expenses
 - Motion to approve the financial report and pay current bills by Jimmy Brown, seconded by Jeremy Langley. Discussion -Ed Hettinger shared the possibility of minutes and financial reports being emailed, mailed or picked up by board members prior to meetings. Motion passed unanimously.
5. President's Report moved down on agenda to follow #6 Operation Manager's report
6. Operation Manager's Report

AVALON001724

- Gregg Rodriguez reported various leaks and also stated that the waste water plant was not maintained properly during his vacation. He and Ed Hettinger spent many hours at the plant working. The system is now running properly.
- Gregg and Ed met with TCEQ personnel in Ft. Worth. TCEQ stated it is our responsibility to make our customers fix their sewer leaks. There was discussion concerning reviewing our tariff concerning 70/90 rule. Avalon WSC will continue to do smoke tests and make any repairs that arise on our end. Customers will receive notices to make repairs on their end as well. It was also noted prior smoke tests results were not reported correctly.

7. General Manager's Report

- President, David Waishes stated that Ed Hettinger will act as General Manager in his absence. David is often out of state with his job and sometimes unable to be available when problems arise.
- Ed reported that Justin Daniels was hired to help Gregg, with a 60 day probation period. Salary - \$10.00 per hour.
- Ed also stated that various taxes have not been filed for the last quarter of 2012 and for first and second quarter of 2013. He and Jan are in process of correcting this.
- Ed recommended that Kendall Stone, our previous auditor, conduct our audit at a cost of \$2000.00.
- Ed reported that numerous Avalon WSSC expenses had not been paid nor reports filed in a timely manner under previous management. He and Jan are diligently working to get books in order and to correct the delinquent payments and filings. The Hettingers are temporarily storing 23 boxes of older Avalon WSSC files in their home until better storage at the office is acquired.
- Under the area of permits, TCEQ director has approved a 30 day period which hearings can be held. Outcome of hearings will determine our permit approval.
- New email address for water office awssc76623@yahoo.com. This address was reported to TCEQ.
- Varner Alon in Italy has been notified that no one is authorized to charge fuel except Gregg.

Back to # 5 on agenda

President's Report

- One year ago Hilco informed Avalon WSSC that they were not renewing the management contract. A new contract began with Dean Carrell who had previously been hired to oversee and assist in updating the operation of our existing sewer plant. An office was established locally and the RVS data base was incorporated for billing. The new contractor was overwhelmed and offered his resignation. President David Waishes accepted the resignation. At that point, Ed and Jan Hettinger offered to serve Avalon WSSC without salary in management of

the office. Dean Carrell was a valuable asset for Avalon WSSC. His expertise and direction enabled the corporation to attain a more proficient status in our sewer plant operations. All in all it was beneficial for both parties. However, the additional office management, billing and lack of previous experience in those areas proved to be overwhelming. David stated that he takes full responsibility for the situation and that there would be no further comment regarding the past occurrences involving Dean Carrell.

- The cooperation and hard work of the new management team is greatly improving business processes.

8. Executive Session

- None

9. Open Forum

- Jan thanked David for the filing cabinets for the office.
- Ed will contact Kendall Stone with a letter of engagement for the audit.
- Ed and Jan will be in contact with Refugio Rodriguez. They now have accurate numbers which will enable Refugio to evaluate our system.
- Ed discussed Avalon WSSC joining Texas Rural Water Association.
- Ed also stated that it is permissible to pass on the cost of monthly payment to Prairielands Groundwater Conservation to our customers on their monthly bills.

10. Adjourn

- Motion made to adjourn at 8:20 p.m. by Jimmy Brown, seconded by Jeremy Langley. Motion passed unanimously.

Approved by the board of directors this _____ day of _____ 2013.

David Waishes, President

Robin Donaldson, Sec/Trea

AVALON WATER SUPPLY & SEWER SERVICE CORP.

213 N FM 55

AVALON, TX 76623

972-627-0044

September 13, 2013

**Notice of Special Meeting of the Board of Directors of Avalon
Water Supply And Sewer Service Corp.**

On September 16, 2013 the Avalon Water Supply And Sewer Service Corp. will hold a special meeting of the Board of Directors to decide whether or not to accept TCEQ's offer of mediation in the contested hearing regarding the Water Company's filing for an amended and renewed Waste Water Treatment Plant permit.

This is the only item to be on the agenda.

A handwritten signature in cursive script, appearing to read "Robin Donaldson", written over a horizontal line.

Robin Donaldson, Secy.-Treas.

AVALON001727

AVALON WATER AND SEWER SERVICE CORPORATION
BOARD OF DIRECTORS MEETING

November 14, 2013

MINUTES

1. Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.
 - The Board of Directors of Avalon Water and Sewer Service Corporation met for their regularly scheduled meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, November 14, 2013.
 - President David Waishes called the meeting to order at 7:00 p.m. Presence of a quorum was confirmed.
 - Directors present were David Waishes, Robin Donaldson, Manuel Rodriguez, Rickey Johnston, Denice Wimbish and Jeremy Langley. Also present Operations Manager, Gregg Rodriguez and General Manager, Ed Hettinger.
 - Visitors present were Carol Gillespie, Marcia Gillespie, Candice Brewster, Chris Brewster, Todd Watson and Jan Hettinger.
 - Ed Hettinger stated that the meeting would be recorded.
2. Visitor's concerns and comments:
 - None
3. Presentation by Todd Watson of J.L. Myers Co. regarding well #2.
 - Detailed proposal attached.
 - Motion by Ricky Johnston to have J. L. Myers pull & inspect well at a cost of \$2,600.00 and run T.V. survey at a cost of \$2,800.00, second by Jeremy Langley. Motion passed unanimously.
4. Review and approve regular meeting minutes for October 10, 2013.
 - Motion by Jeremy Langley to receive minutes as written with Karen Mathiowetz penciled in as a visitor in attendance, second by Denice Wimbish. Motion passed unanimously.
5. Secretary/Treasurer report & Agenda item 6. Review and approve financial report combined
 - Motion made by Jeremy Langley to accept secretary/ treasurer report and financial report, second by Ricky Johnston. Motion carried unanimously.

AVALON001728

7. Review and re-adopt Drought Contingency Plan
 - Motion made by Denice Wimbish to re-adopt Drought Contingency Plan, second by Ricky Johnston. Motion passed unanimously.
8. Establish Credentials Committee preparatory to annual elections.
 - Motion made to have the following people as the Credential Committee, Robin Donaldson, Denice Wimbish and Candace Brewster by Ricky Johnston second by Jeremy Langley. Motion passed unanimously.
9. Discussion and adoption of new rate schedule. If adopted will be effective with billing at end of January 2014.
 - See attached rate schedule
 - Motion made to adopt new rate schedule by Robin Donaldson, second by Manuel Rodriguez. Motion passed unanimously.
10. Discussion of attorney selection.
 - Manuel Rodriguez & David Waishes supplied the name of lawyer Aimee Hess to the board. As well as being a lawyer, she has fifteen years experience serving on water boards. This agenda item will be tabled until a special meeting can be held.
11. Operators manager's report
 - Gregg stated that on smoke test #1 we have completed everything and reported to TCEQ on it.
 - On the inspection done last August from which 4 complaints were registered. The first 3 have been cured and reported to TCEQ. The last item was the effluent line and we advised them we are unable to do anything about that until after ADR/contested hearing. We also told TCEQ about that and reminded them they would not enter the land without permission. We had asked permission to enter and it was not allowed.
 - There have been some major leaks on Goodwyn Rd.
 - Tank inspections show tank needing repair.
 - Gregg's stated that the water company truck has been out of commission. He expressed thanks to Ed for allowing him to use his personal truck. Ed also gave Avalon WSSC a water pump he owned but wasn't currently using for use at the sewer plant. Gregg asked that we reimburse Ed for the pump \$550.00. However, Ed deferred.
12. General Manager's Report
 - Ed reported that all tax forms are current.
 - Ed stated that Dean Carrell picked up his property but no release.
 - A third phone has been purchased.

- Ed recommended that we have a TOMA workshop to be conducted by TRWA personnel. Motion made to have TOMA workshop by Ricky Johnston second by Denice Wimbish. Motion unanimously passed.

13. President's report

- None

14. Open Forum

- Carol Gillespie made a lengthy presentation. Copy of handout she gave to each board member attached.

15. Adjourn

- Motion made to adjourn at 9:40 p.m. by Robin Donaldson, second by Ricky Johnston. Motion carried unanimously.

Approved by the board of directors this _____ day of _____ 2013.

David Waishes, President

Robin Donaldson, Sec/Trea

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS SPECIAL MEETING

November 18, 2013

MINUTES

1. Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.
 - The Board of Directors of Avalon Water and Sewer Service Corporation met for a special meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, November 18, 2013 to consider engaging Aimee Hess as legal counsel.
 - President David Waishes called the meeting to order at 7:00 p.m. Presence of a quorum was confirmed.
 - Directors present were David Waishes, Robin Donaldson, Manuel Rodriguez, Jimmy Brown, Denice Wimbish and Jeremy Langley. Also present Operations Manager, Gregg Rodriguez and General Manager, Ed Hettinger.
 - Visitors present were Carol Gillespie, Marcia Gillespie and Jan Hettinger.
 - Ed Hettinger stated that he had done research regarding this matter and that the proper procedure was through the signature of corporate resolution.
 - Board members were instructed to sign and write beside their name "accept" or "decline" to engage Ms. Hess.
 - After other board members signed, President David Waishes then signed resolution and handed resolution to Ed Hettinger. Unanimous board decision to accept and engage Aimee Hess as legal counsel.
 - Motion made at 7:05 p.m. by Jimmy Brown to adjourn, second by Jeremy Langley. Motion carried unanimously.

Approved by the board of directors this _____ day of _____ 2013.

David Waishes, President

Robin Donaldson, Sec/Trea

AVALON001731

AVALON WATER AND SEWER SERVICE CORPORATION
BOARD OF DIRECTORS MEETING

December 12, 2013

MINUTES

Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.

- The Board of Directors of Avalon Water and Sewer Service Corporation met for their regularly scheduled meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, December 12, 2013.
- President David Waishes called the meeting to order at 7:00 p.m. Presence of a quorum was confirmed.
- Directors present were Jimmy Brown, Robin Donaldson, Manuel Rodriguez and Denice Wimbish. Also present Operations Manager, Gregg Rodriguez and General Manager, Ed Hettinger.
- Visitors present were Carol Gillespie, Marcia Gillespie, Candice Brewster, Chris Brewster, Patsy Russell, Tom Shaw and Gary Smith with TRWA.

1. Vice President Jimmy Brown, called the meeting to order at 7:00 p.m. Denice Wimbish declared that a quorum was present.
2. Visitors comments and concerns
 - Patsy Russell stated that Kevin Mason, who purchased the Gillespie home at the corner of Giles and 55 had planned to come to the meeting with her. At the last minute he had a problem arise and was unable to attend. Patsy asked that discussion concerning Kevin's concerns below, be placed on the next meeting agenda. He has a travel trailer that an ill relative will be living in temporarily. Kevin has questions about water service for this trailer.
3. Review and approve of minutes of November 14, 2013 meeting
 - Motion made by Denice Wimbish to accept minutes as written, second by Manuel Rodriguez. Motion passed unanimously.
4. Review and approve minutes of special meeting held November 18, 2013.

AVALON001732

- Motion made by Manuel Rodriguez to table agenda item #4 since the minutes were not present to be reviewed at the meeting. Motion second by Denice Wimbish. Motion carried unanimously.
5. Secretary/Treasurer Report & #Agenda item #6 Financial Report
 - Motion made by Denice Wimbish to accept Sec/Treas report & Financial report, second by Manuel Rodriguez. Motion passed unanimously.
 6. Financial Report (see above)
 7. Change Article IV and Article XI of the by-laws to establish annual meeting appropriate for new requirements of elections.
 - Table #7 and put on agenda for January 2013. Motion made by Denice Wimbish, second by Manuel Rodriguez. Motion passed unanimously.
 8. Discuss and set calendar for 2014 election
 - Table item #8 additional items to be acted upon not fully stated on agenda. Motion made by Manuel Rodriguez, second by Denice Wimbish. Motion passed unanimously.
 9. Decide on loan from FSB
 - Motion made by Manuel Rodriguez to make a CD secured loan in the amount of \$35,000.00 for operating capital at First State Bank. Loan term will be 36 months with an approximate \$1000.00 payment per month. Second by Denice Wimbish. Motion passed unanimously.
 10. Discuss and change electrical supplier.
 - Manuel Rodriguez made a motion for Ed to research this item and discuss with TXU a possible negotiated price before we decide to change companies. Second by Denice Wimbish. Motion passed unanimously.
 11. Discuss obtaining a generator for well pump.
 - Ed and/or Gregg will get prices for generator and come back to board with those amounts.
 12. Discuss Christmas gifts/bonuses for employees.
 - Motion was made by Denice Wimbish to give Gregg a \$500.00 bonus and Joe a \$250.00 bonus. Second by Manuel Rodriguez. Motion passed unanimously.
 13. Operations manager's report
 - Gregg reported freezing up of one of the wells during extreme cold weather conditions. He also reported on a leak involving a bore on Big Onion Creek.

The company that did the bore stands behind their work and will repair at no charge.

14. General manager's report

- Workman's comp insurance will run \$3400.00.
- J.L. Meyers is still doing work on the well that was pulled and had camera inspection. Bottom 40 feet is full of sand and trash and must be drilled out. It will be drilled out and fracture the pipe. It is recommended that we stay with a smaller pump to protect the operation and longevity of this well.
- Cate Welding finished the inspection on one of our tanks. Their bid is \$58,000.00 to repair and coat the tank. Their estimate may be inaccurate due to wrong gallon capacity. Ed and Gregg are checking on bids for tank repair before we accept Cate's bid. Also reported repairs cost \$1800.00 on pump at well #2.

15. President's Report

- Motion made by Manuel Rodriguez to table #15 since president was not present to make his report. Second by Denice Wimbish. Motion passed unanimously.

16. Open Forum

- There was discussion concerning a Special meeting to discuss and finalize election calendar and approval of forms for election in order to meet time lines. The meeting will be on December 19, 2013 at 7:00 p.m. Robin Donaldson made motion to that effect, second by Manuel Rodriguez. Motion passed unanimously.

17. Adjourn

- Motion made by Robin Donaldson to adjourn at 8:20 p.m. Motion second by Manuel Rodriguez. Motion passed unanimously.

Approved by the board of directors this _____ day of _____ 2013.

David Waishes, President

Robin Donaldson, Sec/Trea

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS SPECIAL MEETING

December 19, 2013

MINUTES

1. Call meeting to order, determine presence of a quorum, and declare notices legally posted pursuant to Open Meetings Act.
 - The Board of Directors of Avalon Water and Sewer Service Corporation met for a special meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, December 19, 2013.
 - President David Waishes called the meeting to order at 7:00 p.m. Presence of a quorum was confirmed.
 - Directors present were Jimmy Brown, Robin Donaldson, and Ricky Johnston. Also present Operations Manager, Gregg Rodriguez and General Manager, Ed Hettinger.
 - Visitors present were Carol Gillespie, Marcia Gillespie, Candice Brewster, Patsy Russell, Kevin Mason, Adrian Mason and Jan Hettinger.
2. Visitors comments and concerns
 - Patsy Russell introduced Keven and Adrian Mason who purchased the Gillespie home at the corner of Giles and 55 to the board.
3. Discuss and set date for annual meeting for 2014.
 - Motion made by Jimmy Brown to set the annual meeting for April 10, 2014. Second by Ricky Johnston. Motion passed unanimously.
4. Review and approve sample forms for use in election.
 - It was noted that we need to amend the application for board of director's position. The first sentence will be eliminated. It is no longer required to have a petition signed by the lesser of 20 members or 5% of the members requesting that the applicant's name be place on the ballot as a candidate for director. Also at the end of the paragraph the statement within parenthesis will be eliminated. It reads - (Since there are 278 members, the Petition must be signed by 14 members.) Motion was made to amend and accept the forms by Jimmy Brown, second by Ricky Johnston. Motion passed unanimously.

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5. Discuss and act on letter from Dean Carrell's attorney
 - Motion made by Jimmy Brown, to follow attorney Phillip Gilbert's recommendation that no additional compensation will be offered to Dean Carrell, as demanded. Mr. Gilbert will communicate the Board's answer formally to Mr. Carrell's attorney. Second by Ricky Johnston, motion passed unanimously.
6. Discuss and define acceptable proof or ownership of property relative to providing service to that address.
7. Discuss and establish definition of "Residence" for service purposes.
8. Discuss and establish procedure for remediating multiple services at one address.
 - After a lengthy discussion, motion made by Jimmy Brown to table agenda items 6, 7 and 8. One board member is involved with the above items, causing a conflict of interest. Quorum not available to vote on items without the one member voting at this meeting. Second by Robin Donaldson. Motion passed unanimously.
9. Open Forum
 - David Waishes reported on TRWA workshop that was attended by the board.
10. Adjourn
 - Motion made by Robin Donaldson to adjourn at 8:37 p.m. Second by Jimmy Brown. Motion passed unanimously.

Approved by the board of directors this _____ day of _____ 2013.

David Waishes, President

Robin Donaldson, Sec/Trea

Avalon Water and Sewer Service Corporation

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Board of Directors 2011

Meets 2nd Thursday of the Month at 7:00 pm

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