

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING MINUTES RECAP
FEBRUARY 24, 2015

1. President David Waishes called the meeting to order at 7:02 p.m. A quorum was declared present by Jacob Carter. Jo Beth Martin stated notices were legally posted according to TOMA.

Roll call: board members present Robin Donaldson, Denice Wimbish, Jacob Carter and David Waishes

2. Under Consent Agenda

- A. Gen Mgr, Jo Beth Martin reported that all known leaks are fixed.
 - B. President David Waishes expressed appreciation to Jo Beth for all of her hard work as general manager both on the field and in the office.
 - C. Minutes for the following meetings are available on disc:
Reg mtg of Nov 13, 2014, Spec mtg of Nov 20, 2014, Reg mtg of Dec 11, 2014 and Reg mtg of Jan 8, 2015.
 - D. Financials were presented
- Motion made by Jacob Carter to accept the Consent Agenda, 2nd by Denice Wimbish. Motion passed unanimously.

3. Under Action Agenda

- A. Sewer lines on Stericycle property. Cesar has been investigating the Stericycle sewer line issues. More investigation is necessary. No action taken by board at this time.
- B. Extension of water lines on Odom Rd. are still being determined. Pressure tests shows good per Cesar. No action taken by board at this time.
- C. Service request on Jack Easom Rd. Pressure test has been run. No application has been received. Water office will call and send letter of inquiry to potential customer. No action taken by board at this time.
- D. Status of blue tank. The tank has been chlorine shocked. Samples were sent to Bio-Chem for evaluation. They will forward results in 5-7 business days. Another one of the tanks is leaking. No action taken by board.

E. Formally ratify corporate resolution to hire attorney to address PUC. Request Amy Hess to serve as our legal advisor. Motion made to the statement above by Jacob Carter, 2nd by Denice Wimbish. Motion passed unanimously. Corporate Resolution on file.

F. Open forum: Candice Brewster expressed concerns regarding portions of discussion prior to voting on item E.

G. Robin Donaldson made motion to adjourn meeting, 2nd by Jacob Carter. Motion passed unanimously. 7:54 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING MINUTES RECAP
MARCH 9, 2015

1. President David Waishes called the meeting to order at 7:22 p.m. A quorum was declared present by Jacob Carter. Jo Beth Martin stated notices were legally posted according to TOMA.

Roll call: board members present Robin Donaldson, Denice Wimbish, Jacob Carter, David Waishes, Matilda Williams and Jimmy Brown.

2. Under Consent Agenda

A. Gen Mgr, Jo Beth Martin reported the blue tank is online completely. Leaking tank is to be taken offline. Blair Dance on Easom Rd has been emailed and application for service. Vanita Hamilton is completing county paperwork for Odom Rd line extension. Cesar is still pursuing various avenues for moving the lines on Stericycle property.

B. President report - none

C. Minutes for February 24th meeting are available on disc.

D. Financials were presented

Motion made by Jacob Carter to accept the Consent Agenda, 2nd by Matilda Williams. Motion passed unanimously.

3. Under Action Agenda

A. Realignment of board of director offices.

Motion by Matilda Williams to elect David Waishes - Pres., Jacob Carter - Vice Pres., Robin Donaldson - Sec/Treas. 2nd by Jimmy Brown, Motion passed unanimously.

B. Credentials Committee Election- Motion made by Jacob Carter to elect Robin Donaldson, Matilda Williams and Jo Beth Martin as Cred. Comm. Motion 2nd by Jimmy Brown. Motion passed unanimously.

4. Open forum - Lorenzo Williams made comments regarding a new well. There was also discussion regarding Odom Rd - Vanita Hamilton water service.

5. Motion to adjourn by Robin Donaldson, 2nd by Jimmy Brown. Motion passed unanimously. 8:26 pm

AVALON WATER AND SEWER SERVICE CORPORATION

ANNUAL MEETING MINUTES RECAP

March 9, 2015

1. President David Waishes called the meeting to order at 7:01 p.m. A quorum was declared present by Jacob Carter. Jo Beth Martin stated notices were legally posted according to TOMA.

Board members present Robin Donaldson, Denice Wimbish, Jacob Carter, David Waishes and Matilda Williams.

President's Report: David expressed thanks to Ed and Jan Hettinger for their limitless and voluntary work to reestablish a local Avalon water service corporation office.

Review 2013 audit.

Open forum: no comments

Three board positions were empty and only three people applied. Jimmy Brown, Matilda Williams and Robin Donaldson.

Motion made by Jacob Carter, 2nd by Jimmy Brown to accept these new board members. Motion passed unanimously.

Comments from new directors. Matilda is glad to support the community. Robin Donaldson stated she is not a quitter and willing to serve again. Jimmy Brown made no comments.

Presiding director welcomed the challenges ahead and support of all members.

Motion by Robin Donaldson to adjourn annual meeting, 2nd by Denice Wimbish. Motion passed unanimously. 7:18 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING MINUTES RECAP

APRIL 9, 2015

1. President David Waishes called the meeting to order at 7:00 p.m. A quorum was declared present by Jimmy Brown. Jo Beth Martin stated notices were legally posted according to TOMA.

Roll call: board members present Robin Donaldson, Denice Wimbish, David Waishes, Matilda Williams and Jimmy Brown.

2. Under Consent Agenda

A. Gen mgr report

There has been a question of our policy for paying out buy in on water system. Jo Beth will get some data from other small water system policies. This question will be added as agenda item to the next meeting.

Joe Valdez, employee, will be taking his D wastewater test.

Jo Beth Martin reported we have had a TCEQ inspection.

Water system needs to research backup power supply source per TCEQ standards for emergency outage situations. Possible options generator or interconnection with other local water systems. Blue tank is online with no bad reports. Leaking tank has been taken offline. We will be getting a bid from Jackie Cate for repair on this tank.

B. Operator Report by Cesar Rocha - Stericycle situation - approximate cost for lift station approximately \$3496.00 excluding pipe. Sewer plant - clarifier too much solids. Taking steps to eliminate these problems.

C. Presidents Report - none

D. Minutes of March 9, 2016 annual meeting and March 9, 2016 regular monthly meeting available on disc.

E. Financials presented

Motion made by Jimmy Brown to accept Consent agenda, 2nd by Denice Wimbish. Motion passed unanimously

I. Under Action agenda

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING MINUTES RECAP
MAY 14, 2015

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

Roll call: board members present Robin Donaldson, David Waishes, Matilda Williams and Jimmy Brown.

2. Under Consent Agenda

- A. Gen mgr report
 - B. Operator Report by Cesar Rocha
 - C. Presidents Report - none
 - D. Minutes of April 9, 2016 regular monthly meeting available on disc.
 - E. Financials presented
- Motion made by Jimmy Brown to accept Consent agenda, 2nd by Jacob Carter. Motion passed unanimously

1. Under Action agenda

- A. Ground tank inspection report - Jackie Cate
- B. Discuss and act of Board absenteeism
- C. Avalon ISD "Spirit Stop" sponsorship
- D. General Manager's proposal for future permanent staffing, proactive maintenance and system improvements.

2. Open Forum

3. Motion made by Jimmy Brown to adjourn, 2nd by Matilda Williams. Motion passed unanimously.

2. Open Forum - no comments

3. Motion by Robin Donaldson to adjourn, 2nd Jimmy Brown. Motion passed unanimously. 8:05 p.m.

A. Aurora Hernandez requesting fire hydrant at 301 A Powell St

Discussion, No action taken

B. Daughter of Isidro Reyes new service request

Discussion, No action taken

2. Open Forum - no comments

3. Motion by Robin Donaldson to adjourn, 2nd Jimmy Brown. Motion passed unanimously. 8:05 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION
BOARD OF DIRECTORS MONTHLY MEETING

June 11, 2015

MINUTES

At 7:05 pm presiding Officer Jacob Carter declared that there was no quorum so no meeting was held.

Approved by the board of directors this 9TH day of JULY 2015.

David C. Carter

Robert H. Bralder

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING MINUTES RECAP JUNE 18, 2015

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

Roll call: board members present Robin Donaldson, David Waishes, Denice Wimbish, Jacob Carter and Jimmy Brown

2. Under Consent Agenda

A. Gen mgr report

Jo Beth has hired Calvin Phillips as manager in trainee.

Due to the high readings of trihalomethane, notices will need to be sent out. Although our last reading was not high the annual average was. It will be a work in process. With consistent good readings the average will circle back around and drop. A work in process.

B. Operator Report

Calvin Phillips will be taking his test next Friday for water license.

Violation for handling of solids for the sewer plant. Handling solids recording errors were discovered.

Discussion regarding TCEQ standards for water company having a backup power source for emergency outages. Transfer switches will need to be installed generator rented. Attachment provided to board to be covered later in meeting.

C. Presidents Report - none

D. Minutes of May 14, 2016 regular monthly meeting available on disc.

E. Financials presented

F: Motion made by Jimmy Brown to accept consent agenda. 2nd by Jacob Carter. Motion passes unanimously.

1. Under Action agenda

A. Apptment to fill vacant Board Member position - send out notices with halomethane letter. No action taken on appointment. Motion by Jimmy Brown, 2nd by Jacob Carter. Motion passed unanimously.

B. Bids to remove ground storage tank -Cate Welding presented a bid of \$3500.00 Motion by Jacob Carter to hire Cate Welding, 2nd by Jimmy Brown. Motion passed unanimously.

C. Bids for acquiring alternate power sources required by TCEQ Approximate cost \$10,289.40. (see attachment) Angiel Electric. TCEQ will revisit in 3 years regarding this issue. Motion made by Jacob Carter to go with Angiel Electrical Construction. 2nd by Denice Wimbish. Motion passed unanimously.

D. Acquiring services of engineering firm to complete application to renew sewer permit. David will check info/email he has regarding past engineers. Motion to table item by Jimmy Brown, 2nd by Jacob Carter. Motion passed unanimously.

E. Electric rate proposal renewal -Motion to table by Jimmy Brown, 2nd by Jacob Carter. Motion passed unanimously.

F. Excessive legal fee expenditure - Motion to table item by Jacob Carter, 2nd Jimmy Brown. Motion passed unanimously.

4. Open Forum

5. Motion made by Robin Donaldson to adjourn, 2nd by Denice Wimbish Motion passed unanimously. 8:36 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING

Regular Meeting July 9, 2015

Recap of recorded minutes

Meeting was called to order at 7:00 pm by David Waishes. Members present were David Waishes, Jacob Carter, Robin Donaldson, Denice Wimbish, and Jimmy Brown. Verification of quorum and legally posted notices was made by Jacob Carter and Jo Beth Martin.

CONSENT AGENDA:

- A. General Managers report – Jo Beth reported that we had hired Calvin Phillips as an operator trainee and that he has been working with Cesar Roca and would give his report. CPA is working on audit but had issues with recorded minutes. We are working on transcribing disc in a re-cap form for her to review. Annual Consumer Confidence Report that was required to be mailed by July 1, was completed and mailed June 26, 2015. Extra copies available for anyone. Received another notice of violation concerning the Locational Running Annual Average for trihalomethanes requiring another notice be submitted. Sample taken on April 27, 2015, was below the standard limit but not low enough to bring the LRAA below standard because of the high ones taken in July 2014 and March 2015. The next sample to be taken for the 3rd quarter of 2015 should replace the high July 2014 sample and eliminate the issue.
- B. Operators Report – Cesar Roca reported that Calvin had taken the basic water course and was scheduled to take exam on Friday July 17th. He had received an email from TCEQ about math errors on the sewer plant monthly reports that had been filed. Errors have been corrected and plant is running well. Calvin Phillips introduced himself to the board

and gave them a recap of his experience in maintenance. He presented proposals for the removal of the ground storage tank. It was reported that TCEQ had approved installation of a transfer switch, rental of a generator, and testing to satisfy the violation recorded in the Comprehensive Compliance Investigation of March 19, 2015. Calvin presented proposals for the board to consider under the action agenda and that there would be minimal low pressure issues

C. President's report – Ellis County has declared for disaster relief.

Anyone effected by the recent storms or flooding needs to report to FEMA for consideration.

D. Recorded

E. Recorded – no quorum

F. Recorded – no quorum

G. Financials – Attached Jimmy Brown asked for a breakdown of hours reported by each employee especially overtime hours to be included in future reports. Repair costs increased due to a 4" line blow out about 200' from the sink hole that had occurred on Hwy 34.

Motion made by Jimmy Brown, seconded by Jacob Carter to accept the items in the Consent Agenda. Motion passed.

ACTION AGENDA

A. Appointment of board member – No one volunteered. Jo Beth to send out request with violation letter to be mailed. Motion made by Jimmy Brown, seconded by Jacob Carter. Motion passed.

B. Blair Dance's service applications – Money deposited on 3-30-15. Land Development called to determine exactly where road bore was to be located. Employee of Mr. Dance's was notified of the holdup of the permit. Heather emailed Mr. Dance of the

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principales de sécurité à deux fenêtres
des ventilles

situation. Mr. Dance questions the bill that he had received for reserved service for the two meters in question. Jo Beth to send letter to Mr. Dance explaining actions taken by the corporation, a copy of the part of the tariff that applies, and what is needed from him. Motion made by Jimmy Brown, seconded by Jacob Carter. Motion passed.

C. Ground storage tank removal – Bid information attached.

Motion made by Jacob Carter, seconded by Jimmy Brown to contract with Cate Welding to remove the tank. Motion passed.

D. Alternate power source – Bid information attached. Motion made by Jacob Carter, seconded by Denise Wimbish to contract with Angel Electric as operator had recommended. Motion passed.

E. Acquiring engineering firm for sewer permit renewal – Cesar stated that he had visited with Childress Engineering and had not heard back from Ben Shanklin. Carol Gillespie stated that Childress had been fired by Dean Carroll and probably was leery of doing anything for the corporation. Motion made by Jacob Carter, seconded by Jimmy Brown to table action until more information could be obtained. Motion passed.

F. Electric rate – Heather reported that data was not complete at this time. Motion made by Jacob Carter, seconded by Jimmy Brown to table action awaiting complete data. Motion passed.

G. Legal fee expenditure – Jo Beth reported that she had left information that she had compiled at the office. Motion made by Jacob Carter, seconded by Jimmy Brown to table until next meeting. Motion passed.

OPEN FORUM

Discussion of operator licensing process. Discussion about removal of

sludge from sewer plant that is being stored in the lagoon. Must have TCEQ approval before it is removed. Discussion about plans for sewer lines located on Stericycle property. Looking at putting in a small lift station and lowering line to acceptable depth. Candice Brewster asked how many hours a week Cesar is in town -- 10-12 hours, but does a lot of work from home by phone and email.

Motion to adjourn at 8:35 pm was made by Robin Donaldson, seconded by Jimmy Brown.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MONTHLY MEETING

August 13th, 2015

MINUTES RECAP

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

2. Consent Agenda

A: Gen Mgr report/Operator report Calvin Phillips reported the transfer switch and tank removal completed. Drinking water bacteria samples – negative. Waste water plant doing good – no violations.

B. Pres report – made statement that how important it is to conserve power and water.

D: Minutes of Monthly meeting of July 9th meeting –available on disc

E. Financials – Heather reported the audit is complete. Misty Culpepper has some suggestions. This will be on the agenda for next meeting.

Motion by Denice Wimbish to accept consent agenda, 2nd by Matilda Williams. Motion passed unanimously.

3. Action Agenda

A. Appointment to fill vacant board member position. Motion by Denice Wimbish to place on agenda for next meeting. 2nd by Matilda Williams. Motion passed unanimously.

B. Tap fees for families on Odom Rd. Open discussion of possibility to raise remaining funds from community resources and individuals to cover remaining costs. Motion made by Denice Wimbish to table item B on action agenda. 2nd by Matilda Williams. Motion passed unanimously

C. Fire hydrant placements – Calvin Phillips has been researching prices for fire hydrants and in what areas these need to be placed. He will get with the fire chief for more information and demographics. Motion to table item C on actions agenda by Denice Wimbish, 2nd by Matilda Williams. Motion passed unanimously.

D. Return of payments to Blair Dance for cancellation of meters. Motion by Denice Wimbish to cancel and refund money to Blair Dance, 2nd by Matilda Williams. Motion passed unanimously.

E. Acquiring services of engineering firm to complete application for renewal of sewer permit. Cesar Rocha, operator, will get commitment from the engineering firm to complete our application. He has done research and has a plan. Motion by Denice Wimbish to accept this plan. 2nd by Matilda Williams. Motion passed unanimously.

F. Excessive legal fee expenditures. Motion to table discussion by Denice Wimbish, 2nd by Matilda Williams. Motion passed unanimously.

G. Heather Howell to discuss personnel issues and continuing duties of Jo Beth Martin in closed session with board.

Board entered into closed session at 8:10 p.m.

Board back into open session at 9:16 p.m. No action taken on personnel issues.

4. Open forum – statement made regarding “written minutes” and low water pressure.
5. Motion by Robin Donaldson, 2nd Matilda Williams. Motion passed unanimously. 9:23 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MONTHLY MEETING

Sept 10th, 2015

MINUTES RECAP

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

Board members present: Matilda Williams, Jacob Carter, David Waishes, Denice Wimbish and Robin Donaldson

*Open Forum #4 moved up on agenda as a special request from Ed and Jan Hettinger. Ed expressed appreciation for the hard work accomplished by our employees.

Consent Agenda

A: Gen Mgr report - Jo Beth Martin stated that she has been prevented from working the past month due to health issues. She recommended Calvin Phillips to serve as General Manager and requests this to be put on next month's meeting agenda. She reported #3 well went down, to be covered more in operator's report.

B. Operator report - Cesar Rocha stated an emergency situation on well #3 motor was caused by a storm/power surge. Calvin handled the largest portion of getting it back up and running. Insurance will pay for a portion of the cost of the repairs to the pump. We will be looking at different insurance options for possible future problems.

C. No president's report

D: Minutes of Monthly meeting of August 13th, 2015 meeting -available on disc

E. Financials - presented by Heather.

Motion by Jacob Carter to accept consent agenda, 2nd by Matilda Williams. Motion passed unanimously.

2. Action Agenda

A. Vote to accept present procedures on how to address public information request. - No action taken

B. Present new information regarding fire hydrant placement around community. Fire chief Jimmy Brown not present to report. Motion by Jacob Carter to table item, 2nd by Denice. Motion passed unanimously.

C. Decision to implement a website for AWSSC. Heather Howell, presented some facts regarding a company website. We could save approximately \$350.00 per year in postage. We would be able to get info out quickly and efficiently. Jacob Carter made a motion to have a company website, 2nd by Matilda Williams. Motion passed unanimously.

Board went into closed session at 8:10 p.m.

Board resumed open meeting at 8:25 p.m.

D. Address if the board wants to fill open board position or wait until voting at annual meeting.

Motion by Matilda Williams to fill former position of Gary Low on board by the appointment of Candice Brewster. 2nd by Denice Wimbish. Vote taken: 4 voting yes, 1 voting no. Motion passed.

E. Introduce proposals and recommendations from the engineer. Engineer, Ben Childress was introduced. Ben spoke of waste water upgrades, renewing of permit, flow diagrams, lab tests and data. Motion by Jacob Carter to hire Childress, 2nd by Denice Wimbish. Motion passed unanimously.

F. Matilda Williams to address board in closed session about personal issues.

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Closed session at 8:45 p.m. returned at 8:55 pm. No action taken

3. Motion to adjourn by Robin Donaldson, 2nd Denise Wimbish. Motion passed unanimously. 8:57 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MONTHLY MEETING

Oct 8, 2015

MINUTES RECAP

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

Board members present: Matilda Williams, David Waishes, Denice Wimbish, Candice Brewster and Robin Donaldson

2. Consent Agenda

A: Gen Mgr report – Tying in new line on Odom Rd. this week. Calvin Phillips will be taking his waste water license test on October 20th.

B. Operator report – Cesar Rocha minor problems at sewer plant. No discharge – no report, holding water in lagoon. Hydroxyl system super oxygenate water to break it down. Water wells 2 & 3 after about one year will balance out this last quarter.

C. No president's report

D: Minutes of Monthly meeting of Sept 10, 2015 meeting –available on disc

E. Financials

Motion by Denice Wimbish to accept consent agenda, 2nd by Candice Brewster. Motion passed unanimously.

3. Action Agenda

A. Vote to accept Jo Beth Martin's proposal to step out and appoint Calvin Phillips General Manager of Avalon Water Sewer Service, Corp.

Robin, Candice and Denice are in favor of Calvin taking the position. Matilda expressed concerns regarding Calvin taking position.

Board went into closed session at 7:47 p.m. for discussion on this matter. Closed session ended at 8:33 p.m. Motion by Candice Brewster to elect Calvin as General Mgr. 2nd by Denice Wimbish.

Motion passed 4 – 1.

B. Information on fire hydrant additions and proposed locations. Discussion on fired hydrants, no action taken by board at this time.

4. Open Forum – Matilda Williams read a letter expressing concerns and presented it to David Waishes.

5. Motion to adjourn by Candice, 2nd by Denice. Motion passed unanimously. 9:08 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MONTHLY MEETING

Nov 12, 2015

MINUTES

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

Board members present: Matilda Williams, David Waishes, Denice Wimbish, Candice Brewster, Robin Donaldson, Jacob Carter and Jimmy Brown.

2. Consent Agenda

A: Gen Mgr report – 3 meters replaced. Moved parts to our storage building on 34/55 adjacent to the old store building.

B. Operator report – Cesar Rocha stated well #2 has dropped 35 to 40%. We are checking the efficiency of the pump, screen, etc. The pump will probably have to be pulled. Approximate cost \$7K.

C. No president's report

D: Minutes of Monthly meeting of Oct. 8th 2016 meeting –available on disc

E. Financials

Motion by Jacob Carter to accept consent agenda, 2nd by Jimmy Brown. Motion passed unanimously.

3. Action Agenda

A. Review auditor, Misty Culpepper's proposal for 2016 tax preparation and audit. Estimated cost \$3500 - \$4000. Motion by Jimmy Brown to accept Misty's proposal, 2nd by Jacob Carter. Motion passed unanimously.

B. Discuss to Renew or payoff loan at First State Bank. Approximate amount owed \$14,601. 88. Motion made by Denice Wimbish to payoff loan, 2nd by Candice Brewster. Motion passed unanimously.

C. Present 3 year cost of money spent on legal fees as requested at previous meeting. (No action required).

D. Make decision to action or table fire hydrants until more information is available and funding is determined. No action taken

E. Closed session to discuss pending litigation. No closed session.

Jimmy Brown made a motion to have a special meeting with our attorney. 2nd by Jacob Carter. Motion passed unanimously.

F. David Waishes read a letter of response to Matilda's Williams statement at the last board meeting.

4. Open public forum - no comments

5. Motion by Robin Donaldson to adjourn, 2nd by Denice Wimbish, motion passed unanimously. 8:11 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS SPECIAL MEETING

Nov 17, 2015

MINUTES RECAP

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

Board members present: Matilda Williams, David Waishes, Candice Brewster, Robin Donaldson, Jacob Carter and Jimmy Brown.

2. Closed Session – 7:02 p.m. conference call with Amy Hess our attorney, to discuss attorney's record of legal action concerning the letter dated Oct 28, 2015 from Michael Hartley on behalf of the Gillespie sisters. Closed session ending -8:00 p.m.
3. Motion by Jacob Carter, 2nd by Jimmy Brown - to authorize our lawyer, Amy Hess to respond to the letter from Michael Hartley on behalf of Gillespie sisters. Motion passed unanimously.
4. Motion by Robin Donaldson to adjourn. 8:02 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MONTHLY MEETING

December 10, 2015

MINUTES RECAP

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

Board members present. David Waishes, Denice Wimbish, Candice Brewster, Robin Donaldson and Jacob Carter.

2. Consent Agenda

A: Gen Mgr report – A few leaks repaired.

B. Operator report – Documents have been given to engineer for sewer system permit. Engineer will present permit renewal package. It will be ready to present in January of 2016.

C. President's report – David Waishes expressed appreciation to Calvin and Heather for all of their hard work to make Avalon Water & Sewer Service Corp run smoothly and efficiently.

D: Minutes of Monthly meeting of Nov 10, 2016 available on disc.

Minutes of Special meeting of Nov 17, 2016 available on disc. (However this was primarily a closed session meeting)

E. Financials

Motion by Jacob Carter to accept consent agenda, 2nd by Denice Wimbish. Motion passed unanimously.

3. Action Agenda

A. Submit preliminary budget for 2016 year to the board to be reviewed for action in January of 2016.

B. Closed session to discuss employee evaluations with General Manager. 7:41 p.m.

Closed session ended at 8:32 p.m. No action taken

4. Open Forum - none

5. Motion by Candice Brewster to adjourn, 2nd by Denice Wimbish, motion passed unanimously. 8:39 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS SPECIAL MEETING

Dec 17, 2015

MINUTES RECAP

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

Board members present: David Waishes, Candice Brewster, Robin Donaldson, Jacob Carter, Denice Wimbish and Jimmy Brown.

2. Closed Session – 7:03 p.m. to discuss evaluations of Heather Howell, Joe Valdez, Kyle Hollingsworth and Calvin Phillips for consideration and approval of bonus/appreciation check independently for Heather, Joe, Kyle and Calvin. Closed session ended -7:08.
Motion by Jimmy Brown, 2nd by Jacob Carter to give Heather \$1100.00. Motion passed unanimously.
Motion by Candice Brewster, 2nd by Jimmy Brown to give Joe Valdez \$1000.00. Motion passed unanimously.
Motion by Denice Wimbish, 2nd by Jimmy Brown to give Kyle Hollingsworth \$200.00. Motion passed unanimously.
Motion by Candice Brewster, 2nd by Robin Donaldson to give Calvin Phillips \$1300.00. Motion passed unanimously.
3. Motion by Candice Brewster, 2nd by Jimmy Brown to adjourn meeting. Motion passes unanimously. 7:11 p.m.

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS MEETING

January 9, 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, January 9, 2014.
 - Directors present were David Waishes, Jimmy Brown, Robin Donaldson, Manuel Rodriguez, Jeremy Langley and Denise Wimbish. Also present were Operations Manager, Gregg Rodriguez and General Manager, Ed Hettinger.
 - Visitors present were Carol Gillespie, Marcia Gillespie, Candice Brewster, Mosies Hernandez, Mrs. Dudley Martin and Jan Hettinger.
1. President David Waishes, called the meeting to order at 7:00 p.m. Jimmy Brown declared that a quorum was present.
 2. Visitors comments and concerns
 - Carol Gillespie asked about the audit report. Ed stated that he would bring it to the next meeting.
 - Mrs. Martin stated concerns about mail delays with billing and late fees. Ed will be investigating possibility of mailing bills, etc from another post office in order to have a more timely delivery.
 - There was also discussion concerning printing an emergency phone number for the water company on water bills.
 3. Review and approve minutes of special meeting of November 18, 2013
 - Motion made by Jimmy Brown to accept the minutes as written, second by Jeremy Langley. Motion passed unanimously.
 4. Review and approve minutes of regular meeting held December 12, 2013.
 - Motion made by Jimmy Brown to accept minutes with one correction, line out 2nd bullet at the top of the page which stated David Waishes called the meeting to order. Jimmy Brown had called the meeting to order, in David's absence. It was so stated in number agenda item# 1. Motion second by Manuel Rodriguez. Motion passed unanimously.

5. Review and approve minutes of special meeting of December 19, 2013
 - Motion by Jimmy Brown to table approval of December 19, 2013 minutes. Board member present at Dec. 19th meeting not present at current meeting. We need more clarification from that member before approving or amending these minutes. Motion second by Denice Wimbish. Motion passed unanimously.
6. Review financials and approve or amend.
 - Motion made by Jimmy Brown to accept the financials, second by Denice Wimbish. Motion passed unanimously.
7. Discuss and appoint Election judge.
 - Ed brought three names to the board who had consented to serve as an election judge. The names were: Robert Morgan, George Lonan and Tommie Worthy. Motion made by Jimmy Brown to appoint Tommie Worthy as election judge Motion second by Manuel Rodriguez. Motion passed unanimously.
8. Determine acceptable "Proof of Ownership" of property in order to furnish service.
 - Our tariff states that some type of recorded proof of ownership must be provided to establish water service. It is not necessary for us to retain a copy of said proof. However, pertinent information will be noted and signed by property owner for record keeping purposes. We must have clear records in the event of management changes and for future reference. Motion made to this effect by Jimmy Brown, second by Manuel Rodriguez. Motion passed unanimously.
9. Discuss and determine acceptable secondary service thru one meter.
 - After some discussion. Motion was made by Jeremy Langley to form a special committee to investigate secondary service thru one meter whether it be temporary or long term. David Waishes and Jimmy Brown volunteered to serve on this committee. Motion second by Denice Wimbish. Motion passed unanimously.
10. Discuss and possible approve waiver of late charge for M/M Marshall, on a one time basis.
 - Motion made by Robin Donaldson to waive the late fee for M/M Marshall due to mail problem. Post marks confirmed a definite delay. Motion second by Jeremy Langley. Motion passed unanimously.
11. Operations Managers report
 - Gregg reported on transformer outage and repair, leaks and storage tank repairs that are needed. There were also Waste Water problems during the

cold weather. Gregg was able to use a torch to thaw things up and get them flowing. He also installed heaters and enclosed windows to help prevent future problems from low temperatures.

12. General Managers report

- Ed reported that #2 well has been drilled out and cameras will be run back in. Todd Watson will come back with reports. Ed also state that Cameron Carrell is employed by J.L. Meyer. Ed has requested that Cameron not work on anything for Avalon WSSC, due to the conflict with his dad Dean Carrell.
- TCEQ, three problems have been solved. The other one is on hold pending the ADR.

13. Presidents report

- None at this time

14. Open Forum

- Candace Brewster had some questions about the election committee duties. Jan Hettinger will visit with Candace to collaborate on what needs to be done.

15. Adjournment

- Motion to adjourn made by Robin Donaldson at 8:44 pm. Second by Jimmy Brown. Motion passed unanimously.

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 MEETING

February 13, 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, February 13, 2014.
 - Directors present were David Waishes, Jimmy Brown, Robin Donaldson, Manuel Rodriguez and Denice Wimbish. Also present were Operations Manager, Gregg Rodriguez and General Manager, Ed Hettinger.
 - Visitors present were Carol Gillespie, Marcia Gillespie, Candice Brewster, Chris Brewster and Jan Hettinger.
1. President David Waishes, called the meeting to order at 7:00 p.m. Jimmy Brown declared that a quorum was present.
 2. Visitors comments and concerns
 - Candace Brewster inquired about air in her water lines at her house. Gregg Rodriguez explained that there are numerous reasons for air in lines. He will check at Candace's residence to see if there are specific problems that need to be addressed.
 3. Review and possibly approve amended meeting minutes of December 19, 2013 meeting. Board member, Ricky Johnston was unable to attend tonight's meeting but came to the water office and signed the minutes, giving his approval of the revision of the above referenced minutes. Motions made by Jimmy Brown to accept amended minutes, second by Robin Donaldson. Motion carried unanimously.
 4. Review and possibly approve minutes of regular meeting held January 9, 2014
 - Motion made by Jimmy Brown to accept minutes as written, second by Denice Wimbish. Motion carried unanimously.
 5. Review and possibly approve 2012 audit.
 - Motion made by Jimmy Brown to approve audit as presented, second by Denice Wimbish. Motion passed unanimously.

AVALON002237

6. Secretary/ Treasurer's Report
7. Review and possibly approve financial report
 - Motion made by Jimmy Brown to accept secretary/treasurer's report and financial report dually, as presented. Second to motion by Manuel Rodriguez. Motion passed unanimously. Agenda items #6 and #7 will be combined on future agendas.
8. Discuss and determine when late charge applies.
 - No action taken.
9. Discuss and determine disposition of late charge on David Arriaga's account.
 - Our tariff applies. Payments must be received by due date. David Arriaga was not present at meeting to appeal the late fee. Motion to apply late fee on David Arriaga's account made by Jimmy Brown, second by Denise Wimbish. Motion passed unanimously.
10. Review CCN application from City of Italy and determine if any action is required.
 - No action required or taken.
11. Discuss tank coating and possibly determine how to proceed.
 - US Underwater Service – minimum fee of \$1,849.00, \$1500.00 per day. Paint/epoxy type, requires two parts, one gallon of each part @ \$250.00 per gallon. Paint curing time 2- 4 days depending on weather conditions. Motion made by Jimmy Brown to proceed with epoxy type coating for tanks, second by Manuel Rodriguez. Motion passed unanimously.
12. Consider TxDot's request to move our line on Cartwright Road and determine favored manner of handling the move, including possibility of bore on FM 55 at the same time.
 - Bid from Cal-Kee Boring Company for Cartwright Road bore - \$3,457.00. Bore on FM 55 bid - \$3,307.00. If we proceed with both bores there will be a reduction of total price by \$500.00. There was discussion, with Jan stating we could afford the expense for both bores. It was decided to put this item on hold until later in this meeting as we discuss other expenses.
13. Operations manager's report
 - Gregg reported that the cold temperatures have caused the sewer plant to freeze up in different areas. He has been able to keep things running smoothly with extra effort. He stated well #2 has had low pressure. Air in lines due to tank repair inspection. Water loss was discussed. Several reasons this can happen. Meters reading inaccurately being one of these. Jimmy Brown stated that he would be able to furnish a monthly statement of how many gallons the fire department uses.

14. General manager's report

- Ed reported that all IRS payments including penalties, are current, approximately \$11,000.00 paid.
- We have received word that we are eligible to purchase equipment and various items at a reduced cost through Texas Facilities Commission.
- At the present time 3 applications for director have been received.
- Ed stated that we will start replacing meters. If we replace 10 a month in three years' time we could have all meters replaced.
- Todd Watson is not satisfied with the results of the work his company did on our well. He gave several different prices for more extensive repairs and/or solutions. Prices ranging from \$38, 200.00- \$44, 600.00. 1/2 payment is required up front on any repairs. We have already paid them \$5,400.00. Ed will check and see if the amount can be deducted from the total cost on any further repairs.
- After general manager's report was given, motion was made to table agenda item #12 by Jimmy Brown, second Denise Wimbish. Motion passed unanimously.

15. President's Report

- David Waishes stated that there a number of issues we have been dealing with. It is our duty as a board to maintain our system in a responsible manner. Water is a valuable commodity that we must defend and preserve.

16. Open Form

- Jimmy Brown stated that he has numerous contacts with Tx Dot. He will make inquiries on the time frame and details on moving our line on Cartwright road.

17. Adjourn

- Motion made by Robin Donaldson to adjourn at 8:41 p.m. second by Jimmy Brown. Motion passed unanimously.

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

David Waishes, President

Robin Donaldson, Sec/Treas

AVALON002239

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS SPECIAL MEETING

February 27, 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, Texas at 7:00 p.m. on Thursday, February 27, 2014.
 - Directors present were Robin Donaldson, Manuel Rodriguez, Ricky Johnston and Denice Wimbish. Also present were Operations Manager, Gregg Rodriguez and General Manager, Ed Hettinger.
 - Visitors present were Carol Gillespie, Marcia Gillespie, Candice Brewster, Chris Brewster, David Arriaga and Jan Hettinger.
1. Robin Donaldson, presiding officer, called the meeting to order at 7:01 p.m. Denice Wimbish declared that a quorum was present.
 2. Visitors comments and concerns
 - David Arriaga expressed his concern regarding a late fee he was charged for his January water bill. He bought a money order on Saturday, January 18, 2014 at the Avalon Post Office and asked a postal employee to put it in the Avalon WSSC post office box. The bill was not received by the water company until January 21, 2014. There was no mail service on Monday, January 20th - MLK day/federal holiday. Local mail does not necessarily go directly to the post office boxes. It can go out with out of town mail and then come back to the Avalon Post Office. Avalon WSSC water bills are considered late if they are not received by the 18th of the month. The disposition of the late fee for Mr. Arriaga's water bill was on the agenda of regular monthly meeting on February 13, 2014. It was voted on that date that the late fee would be imposed. Mr. Arriaga was not present at that meeting.
 3. Approve voting packet for election of Directors.
 - Motion made by Manuel Rodriguez to accept the voting packet as presented. Motion seconded by Ricky Johnston. Motion carried unanimously.
 4. Discuss bids for well repair. If possible, determine which bid to accept.

AVALON002240

- Motion made by Manuel Rodriguez to table acceptance of any bids presented for well repair due to cost and the fact that after thirty days the company presenting the bids could possibly offer partial financing. Motion seconded by Ricky Johnston. Motion carried unanimously.

5. Open Forum

- General manager, Ed Hettinger stated that TCEQ made inspection of effluent line from the sewer plant and stated that it is need of repair. Ed stated that Carol Gillespie, the land owner, can give her permission for the water company to access her property so that needed repairs can be made. Carol stated that her attorney should be contacted. She stated that the water company's attorney should be contacted and that he in turn should contact her attorney concerning access to her property.

6. Adjournment

- Motion made by Denise Wimbish to adjourn at 7: second by Manuel Rodriguez. Motion carried unanimously.

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 MEETING

March 13, 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, March 13, 2014.
 - Directors present were David Waishes, Robin Donaldson, Manuel Rodriguez, Ricky Johnston, Jeremy Langley and Denice Wimbish. Also present, General Manager, Ed Hettinger.
 - Visitors present were Carol Gillespie, Marcia Gillespie, Candice Brewster, Chris Brewster, Mosies Hernandez, Mario Arriaga and Jan Hettinger.
1. President David Waishes, called the meeting to order at 7:00 p.m. Manuel Rodriguez declared that a quorum was present. General Manager stated notices were legally posted according to TOMA.
 2. Visitors comments and concerns
 - Candace Brewster had concerns regarding her water bill being so high. Ed stated that her meter would be checked for problems.
 - Mario Arriaga, Sr. stated that he is on disability and does not receive his money until the 18th of the month. He has difficulty paying his water bill on time. President David Waishes requested that Mario come to the business office to check his account status, present and past.
 3. Review and possibly approve meeting minutes of February 13, 2014 meeting. Motion by Manuel Rodriguez to accept minutes as presented. Second by Robin Donaldson. Motion passed unanimously.
 4. Review and possibly approve minutes of special meeting held February 27, 2014
 - Motion made by Manuel Rodriguez to accept minutes as written, second by Ricky Johnston. Motion carried unanimously.
 5. Review and possibly approve financials

- Water loss error on reports is being addressed by business office and RVS. Motion made by Manuel Rodriguez to accept financials as presented. Motion second by Jeremy Langley. Motion carried unanimously.
6. Discuss Gillespie land purchase
 - Move discussion to end of meeting for Executive session.
 7. Discuss repair of well #2, delay this item due to agenda item #6
 8. Discuss repair of large tank. Ed Hettinger has visited with Rick Peel and Sherwin Williams Paint. They will be making a proposal for the work. No action taken on this item at this time.
 9. General Managers Report
 - Ed distributed photos of several different sites where our employee have been digging to repair leaks. This is no small undertaking for our employees. They are to be commended for a job well done.
 10. President's report
 - David stated that we need to make our community aware that we are working with a 45 year old system with very little capital improvement over the years. Late fees and rate increase defray some of the cost but we are also seeking grants. It is a long road to keep, maintain and improve our system. We are dedicated to develop a plan that will address all three issues.

At 7:44 pm the board went into executive session to discuss the purchase of the Gillespie land.

Executive session ended at 8:00 pm.

Back to Agenda item 6

- Motion made by Ricky Johnston, to authorize Ed Hettinger to accept terms and procedures to purchase Gillespie land including survey and closing costs. Motion second by Manuel Rodriguez. Motion carried unanimously.
 - Motion made by Ricky Johnston to accept Amie Hess services for purchase of Gillespie land, fees included. Manuel Rodriguez 2nd motion. Motion carried unanimously.
11. Open Forum
 - None
 12. Adjourn
 - At 8:04 pm, Motion by Manuel Rodriguez to adjourn. Motion second by Robin Donaldson. Motion carried unanimously.

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

David Waishes, President

Robin Donaldson, Sec/Treas

AVALON002244

AVALON WATER AND SEWER SERVICE CORPORATION
ANNUAL MEMBER MEETING AND ELECTIONS

April 10, 2014

MINUTES

1. Presiding director, President David Waishes, called the meeting to order at 7:00 p.m. Jimmy Brown declared that a quorum was present. General Manager stated notices were legally posted according to TOMA.
2. Presiding director made last call for submission of ballots
3. Presiding director announced the total number of members present- eleven, number of mailed in ballots - sixty eight, and all seven board members present. Presiding director announced that a quorum of the membership is present and that the meeting may proceed. Election Auditor, Tommie Worthy may now begin counting the ballots.
4. Read and approve minutes from previous member meeting.
 - Robin Donaldson read the 2013 annual member meeting minutes. Motion by Manuel Rodriguez to accept minutes as written. Second by Denice Wimbish. Motion passed unanimously.
5. President Report
 - Copy attached
6. Review 2012 Auditor's report
 - Ed Hettinger stated that audit was not done last year. However it has been completed. Board reviewed 2012 report at a previous meeting. Ed also stated that we lost approximately \$20K last year. 2013 Auditor's report is not complete at this time.
7. Open forum for members who signed to speak limit of three minutes per speaker.
 - Candace Brewster stated her question had already been answered regarding the 2013 audit.
8. Election Auditor provides the presiding director with a written report of the election.
 - Tommie Worthy, election auditor, gave David Waishes the election report.
9. Presiding director announced election results

AVALON002245

- Matilda Williams 25
- Chris Brewster 12
- Gary Lowe 41
- Jacob Carter 46
- David Waishes 50
- Jimmy Brown 25

10. Presiding director introduced newly elected officers, and asked the board members to assume the position of directors immediately.

- David thanked Jeremy and Jimmy for serving on the board. They in turn expressed gratitude for being able to serve on the water board.

11. Comments from newly elected directors

- Jacob Carter expressed appreciation and willingness to serve the community. Gary Lowe was unable to attend the meeting.

12. Closing comments by presiding director

- None

13. Adjourn

- 7:30 p.m. Motion made by Manuel Rodriguez to adjourn. Second by Ricky Johnston. Motion passed unanimously.

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 MEETING

April 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 their regularly scheduled meeting at the First Baptist Church, Avalon, Tx at 7:00 p.m. on Thursday, April 10, 2014.
 - Directors present were David Waishes, Robin Donaldson, Manuel Rodriguez, Ricky Johnston, Denice Wimbish and Jacob Carter. Also present, General Manager, Ed Hettinger and Operations Manager Gregg Rodriguez.
 - Visitors present were Carol Gillespie, Marcia Gillespie, Mary Bates, Candice Brewster, Chris Brewster, Patty Hernandez, Mrs. Jacob Carter, Kimberly Waishes, Patsy Russell, Patty Hernandez, John Goodwyn, Mosies Hernandez, Tommie Worthy and Jan Hettinger.
1. President David Waishes, called the meeting to order at 7:39 p.m. Ricky Johnston declared that a quorum was present. General Manager stated notices were legally posted according to TOMA.
 2. Visitors comments and concerns
 - None
 3. Elect President, Vice-President and Secretary/Treasurer for ensuing year.
 - No nominations were made. David Waishes volunteered to remain President, Jacob Carter accepted the office of Vice-President, Robin Donaldson will continue to serve as Secretary/Treasurer. Motion made by Ricky Johnston to accept these officers to serve for the ensuing year. Second by Manuel Rodriguez. Motion passed unanimously.
 4. Select Credentials Committee for ensuing year.
 - Motion made by Manuel Rodriguez to elect Ricky Johnston as chair-person, Denice Wimbish and Candace Brewster as remaining committee members. Motion second by Robin Donaldson. Motion passed unanimously.
 5. Review and approve regular meeting minutes for March 13, 2014.

AVALON002247

- Motion made by Ricky Johnston to accept minutes as written with one omission, Denice Wimbish was not in attendance for that meeting. Second by Manuel Rodriguez. Motion passed unanimously.
6. Review and approve Financial Report
 - Manuel Rodriguez made a motion to accept Financial Report as presented. Second by Denice Wimbish. Motion passed unanimously.
 7. Review and discuss "Drought Response for Public Water Systems" letter from TCEQ.
 - No action taken
 8. Review and discuss "Public Hearing Notice" from Texas Water Development Board.
 - No action taken
 9. Discuss and possibly act on change of Power Supplier
 - Ed will do more research before a decision is made. There was discussion regarding terminating the electricity at well #1 since the well has been pulled.
 10. Discussion on paying off one the USDA loans
 - Ed stated we have the cash to pay one of the loans, approximately \$6,000.00. We have a CD pledged to this loan. We could withdraw funds from CD to pay this loan off. It was decided to leave CD as is, unless funds are needed. We will be saving approximately \$1500.00 per month, the monthly payment we are making to USDA on this loan. Motion made by Ricky Johnston to pay off loan, second by Denice Wimbish. Motion passed unanimously.
 11. Discussion of obtaining new credit cards for company
 - Discussion regarding new credit cards, one for Ed and one for Gregg with an increased limit to \$5000.00. Gregg's card is through an Itasca bank and currently has a \$2000.00 limit. Ed has used his personal credit card to purchase supplies and then get reimbursed from the company. Motion made by Manuel Rodriguez, second by Ricky Johnston to apply for two business credit cards through First State Bank, Italy. Motion passed unanimously.
 12. Discussion of establishing time limit for speakers from the floor
 - Motion by Ricky Johnston for a three minute limit for speakers from the floor. Second by Manuel Rodriguez. Motion passed unanimously.
 13. Operations Manager's report
 - At this point in time things are running relatively smooth.
 - Bore on Cartwright Road cannot meet April 18th deadline. Ed has spoken with the county and will call again regarding this matter. No action taken.
 14. General Manager's report

- Ed presented a customer grievance form to the board. Motion made by Denice Wimbish to accept the form. Second by Jacob Carter. Motion passed unanimously.

15. President's Report

- No report. Report made in annual meeting.

16. Open Forum

- Candace Brewster will be given a grievance form after meeting to state complaint she has.

17. Adjourn

- At 8:48 p.m. motion was made by Ricky Johnston to adjourn. Second by Denice Wimbish. Motion passed unanimously.

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 MEETING

May 8, 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, May 8, 2014.
 - Directors present were Jacob Carter, Gary Low, Robin Donaldson, Manuel Rodriguez, Ricky Johnston and Denice Wimbish. Also present, General Manager, Ed Hettinger and Operations Manager Gregg Rodriguez.
 - Visitors present were Candice Brewster and Jan Hettinger.
1. Vice President Jacob Carter, called the meeting to order at 7:00 p.m. A quorum was declared present. General Manager stated notices were legally posted according to TOMA. An emergency agenda item for the meeting was posted at 2:12 p.m., on May 8, 2014, meeting the minimum two hour time required by TOMA.
 2. Visitors comments and concerns
 - Candace Brewster, stated several times that the item added was not an emergency item. Ed Hettinger stated that it was an emergency item. Candace also stated that the grievance form approved at the last meeting was not on the agenda. The grievance form will be on next month's meeting agenda to approve.
 3. Review minutes of regular meeting of April 10th and accept or amend.
 - Motion made by Gary Low to accept the minutes as written. Second by Manuel Rodriguez. Motion passed unanimously.
 4. Review financial report and accept or amend.
 - Jan presented the financial report. Motion made by Manuel Rodriguez to accept the report. Second by Denice Wimbish. Motion passed unanimously.
 5. Replace Ricky Johnston on Credentials Committee since he will be up for re-election next year.
 - Gary Low volunteered to serve on the Credentials Committee.
 6. Discuss interior refinishing of large storage tank.

- Ed had three estimates from H2O Steel Contractors and one from Cate Welding.
- Motion made by Ricky Johnston to accept the second bid from H2O Steel Contractors at a cost of \$22,500.00. This bid includes labor and material to blast and paint the whole interior of the ground storage tank with two coats of epoxy. Motion second by Manuel Rodriguez. Motion passed unanimously.

7. Operations Manager's Report

- Gregg Rodriguez has made modifications at the waste water plant. Modifications include timers on pumps. This will allow the pumps to work in an alternating pattern and increase their longevity. Gregg stated that the road bore on Cartwright road should be done in the next couple of weeks.

8. General Manager's Report

- Ed Hettinger spoke regarding the purchase of 1.01 acres of the Gillespie land. The cost is \$5,095.00 plus expenses associated with closing.
- Board members signed resolution regarding this purchase.
- It is required that we have an engineer to sign off the on the avenues we choose to pursue regarding improvements, enclosure/fencing, etc. once the property is in our possession. We have also sought expert advice from TRWA for this endeavor.

9. President's Report

- None, David Waishes, not present at the meeting.

10. Open Forum

- Candace Brewster began to discuss past Credentials Committee issues.
- Jan Hettinger stated that she and Candace could speak after the meeting regarding this matter.

11. Adjournment

- Robin Donaldson made a motion to adjourn at 7:35 p.m. Second by Denise Wimbish. Motion passed unanimously.

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

David Waishes, President

Robin Donaldson, Sec/Treas

AVALON002252

AVALON WATER AND SEWER SERVICE CORPORATION

BOARD OF DIRECTORS SPECIAL MEETING

May 15, 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, May 15, 2014.
- Directors present were Gary Low, Robin Donaldson, Manuel Rodriguez, Ricky Johnston and Denice Wimbish. Also present, General Manager, Ed Hettinger and Operations Manager Gregg Rodriguez.
- Visitors present were Candice Brewster, Chris Brewster, Marcia Gillespie, Carol Gillespie, Jimmy Brown and Victor Ledesma.
- Board member Gary Low acting as presiding officer, called the meeting to order at 7:00 p.m. A quorum was declared present. General Manager stated notices were legally posted according to TOMA.
- Approve and sign corporate resolution related to purchase of land adjacent to Waste Water Treatment Plant.
 - Manuel Rodriguez made a motion to approve and sign the corporate resolution to purchase the land adjacent to the Waste Water Treatment Plant. Motion second by Ricky Johnston. Motion passed unanimously.
 - Carol Gillespie asked that the resolution be read aloud.
- Open forum. Each speaker limited to three minutes.
 - Victor Ledesma stated that he has water meters at two different locations. He has concerns about high and/or inconsistent bills. He will be added to the next meeting's agenda.
 - Chris Brewster stated concerns regarding the board following TOMA rules. Presiding director, Gary Low stated that he is new to the board, and that TOMA rules will be closely followed.
 - Candace Brewster stated that a board officer should be presiding over the meeting.
 - Jimmy Brown asked to be put on the next meeting's agenda concerning ongoing rental property water bills/past due issues that were not resolved while he was on the board due to conflict of interest.

AVALON002253

- Jimmy Brown reported that the Fire Department used 350 gallons last month. He had told us in the past he could report monthly on this issue in order for us to better determine unaccountable water loss. He also stated that the door at the Fire Department is not being closed and locked after we check our payment drop box. Water Department will double check that door is closed and locked upon checking payment drop box.

4. Adjournment

- Motion made by Manuel Rodriguez to adjourn. Second by Denise Wimbish. Motion passed unanimously.

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 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

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 Denise 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 Denise 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 Denise 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

AVALON002258

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

AVALON002259

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

AVALON002260