

MINUTES OF THE JONESTOWN WATER SUPPLY CORPORATION
BOARD OF DIRECTORS MEETING
TUESDAY, JUNE 15, 2021, 7:00 PM, held at Jonestown Water Supply Corporation,
10700 Crestview Drive, Jonestown, Texas 78645

1. Call to order.

President Newcombe called the meeting to order at 7:05 p.m.

Board members present onsite: Gregg Newcombe, Bruce Covill, John Riddle, Amy Fitzgerald, Keith Stewart, Dave Stewart, and Tim Hawkins, Don Swayne.

Board members absent: Dani Harris.

Staff present: John Tichi

Members present: none.

1. A. Set Date of Next Regular Meeting – July 13, 2021

(This item was not mentioned)

2. Members and/or Public Comment.

There were no public comments.

3. Approve Minutes

a) Regular Meeting minutes of April 13, 2021.

Director Fitzgerald moved to approve the April 13 minutes, seconded by Director Covill. The motion passed unanimously, with Directors Covill, Swayne, Fitzgerald, Dave Stewart and Newcombe voting.

b) Special Meeting minutes of April 19, 2021.

Director Riddle moved to approve the April 19 minutes, seconded by Director Swayne. The motion passed unanimously, with Directors Covill, Swayne, Fitzgerald, Dave Stewart, Riddle and Newcombe voting.

c) Regular Meeting minutes of May 11, 2021.

Director Hawking moved to approve the May 11 minutes, seconded by Director Riddle. The motion passed unanimously.

4. Financial Matters.

a) Secretary's Treasurer Report.

Director Fitzgerald reported she and Manager Tichi met with the auditor regarding the budget and discussed changes to the format; next year's budget will be presented next month. Directors discussed employee benefits and surplus cash balance. Director Fitzgerald noted the auditors cleaned up some accounts and loan information and provided journal entries for staff member Kornegay.

b) Approve Bills, Invoices and Other Payables.

Director Fitzgerald reviewed the list of items to be approved. Director Keith Stewart moved to approve the payable as presented, seconded by Director Hawkins. The motion passed unanimously.

c) Discuss/Approve Budget Amendment(s).

There were no amendments.

5. President's Report Concerning Corporate Affairs.

a) Letters of appreciation to former directors: Nadia Wills & Liane Popham

President Newcombe circulated appreciation letters prepared for former directors Wills and Popham so that the directors could add their signatures if they wished before the letters are sent out.

President Newcombe reminded Directors Fitzgerald, Keith Stewart, and Fitzgerald to complete the Open Meetings Act online training.

b) Increased Capacity Presentations

President Newcombe prepared three presentations for the directors to hear and discuss:

1. Overview of general cost estimates for the raw water line, floating intake, and treatment facility: Handouts were provided to directors with information on ranges of estimates using in-house work, outsourced contracted work, and combinations of both. Possible locations of the floating intake in either Little Devil's Cove or the main body of the lake were discussed; possible aesthetic concessions requested by residents of The Hollows (if the intake barge is in the cove) were also discussed. A loan from CoBank of 20 to 25 years was suggested to finance the projects.
2. Presentation on how the projects might be funded: President Newcombe provided a handout with additional detail on aspects of revenue generation and depreciation. Directors discussed strategies including the increase in equity buy-in and addition of a capital recovery fee already implemented. Base rate and usage fee increase scenarios were discussed in relation to possible loan structure and amounts.
3. Compensation for in-house project work and management: Three options were presented. The first was a scaled-down version of the Large Project Committee to determine compensation and bonuses; second, a simpler scale of set bonuses to general manager and staff; and third, a revision of the general manager's job description to add large project management duties and increase in base rate of pay to reflect addition of those duties.

6. Staff Report Concerning Operations and Management.

a) General Manager.

Manager Tichi reported two employees have taken their first water class and will be able to take their D license test and assist with plant operation. An incorrect meter reading entry causing an inaccurate water loss figure has been corrected.

b) Office Manager.

There was no report.

7. Committee Reports

a) Large Project Committee

There was no report.

b) By-Laws & Policies Committee

Director Covill expressed the need to update the Procurement Policy and Conflict of Interest Policy, and presented proposed policies, as recommended by TWRA.

Be it noted that the Board changed the order of the agenda to address Item 8.d) at this time:

8. d) Discuss/Approve Procedures/Compensation for Conducting In-house Projects

Director Covill moved that, as there are proposed major capital projects, the Procurement Policy (as presented and discussed in Agenda Item 7.b) be approved as a part of the

procedures of conducting in-house projects. Director Hawkins seconded the motion. The motion passed unanimously. Directors discussed the proposed Capital Project Policy and noted some wording changes to be considered. Director Riddle moved to adopt the Capital Project Policy with the amendment in the second paragraph, “to oversee capital projects.” Director Swayne seconded the motion. The motion passed unanimously.

The Board then returned to the remainder of Agenda Item 7:

c) Raw Water Line Project Committee

There was no report. Director Hawkins noted this committee has completed its work and no longer exists.

d) Credentials Committee

There was no report.

e) Budget Committee

Director Fitzgerald noted the committee (Directors Harris, K. Stewart, Fitzgerald, and Manager Tichi) is meeting on the 28th.

8. Old Business.

a) Discuss/Approve Revised Director Attendance Policy

Manager Tichi proposed inserting one paragraph under “Virtual Participation” to allow directors to “utilize virtual participation two times in a twelve-month period.” After discussion to remove the limit, Manager Tichi read an amended version, to allow directors to “utilize virtual participation.” Absences were briefly discussed, but no changes were proposed. Director Swayne moved to approve the revised Director Policy as read. Director Keith Stewart seconded the motion. The motion passed unanimously.

b) Appoint Deputy Secretary and Assistant (Employee)

c) Appoint President’s Designee

Combining items 8.b) and 8.c), President Newcombe moved that Director Bruce Covill be appointed as Deputy Secretary and Assistant, and Manager John Tichi be appointed as the President’s Designee. After discussion, President Newcombe amended the motion, to appoint Director Bruce Covill as Deputy Secretary and appoint Manager John Tichi as President’s Designee. Director Fitzgerald seconded the motion. The motion passed unanimously.

9. New Business

a) Discuss/Approve 2021-2022 Budget items.

1. Health Insurance including HRA contributions

Manager Tichi reported working with a broker and finding a plan which will be of much lower cost, while staying with Humana and with some minor changes to copays; this would be a level-funded plan instead of a community rate-based plan. Director Swayne moved to approve the level-funded alternative, which is Humana Option 9LF, to include the funding of the HRA at \$1,000 per employee. Director Dave Stewart seconded the motion. The motion passed unanimously.

2. Liability Insurance

Manager Tichi noted the formal renewal for liability insurance has not come in yet, but is expected to be finalized with approval needed before the next meeting. Directors asked for clarification on the cyber security coverage. Director Hawkins made a

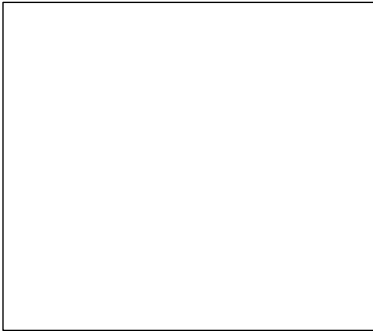
motion to approve renewal of the insurance policies with Higginbotham as stated, with \$1 million coverage for cybersecurity, and not to exceed \$40,000 (premium) on the automobile-property-general liability umbrella and inland marine. Director Fitzgerald seconded the motion. The motion passed unanimously.

10. Adjournment.

Director Hawkins moved to adjourn, seconded by Director Riddle. The motion passed unanimously. President Newcombe adjourned the meeting at 9:56 p.m.

Minutes recorded in type by Rachel Austin.

PASSED AND APPROVED AT THE REGULAR MEETING HELD ON _____, 2021.



Gregg Newcombe, President

ATTEST:

Amy Fitzgerald, Secretary