

JOHNSON COUNTY SPECIAL UTILITY DISTRICT
BOARD OF DIRECTORS MEETING
TUESDAY, APRIL 21, 2020

Pursuant to a notice timely posted in accordance with Government Code, Title 5 Chapters 551 & 552, the Board of Directors of the District shall hold an open meeting via Zoom teleconference on April 21, 2020, at 5:30 pm at the District office in Joshua, Texas. Directing the meeting was Chair, Tommy Webb. Directors Gene Petross, Eric Baze, Harry Shaffer, Jack Beavers, Ronnie Nichols, and Glen Walden participated via teleconference along with Terry Kelley. Staff members attending were General Manager, Pete Kampf, Comptroller, Kathy Rice, System Development Manager, Dana Collier, System Operations Manager, Danny Armstrong, and Utility Services Manager, Josh Howard. Keith Kindel with e-HT and Attorney Scott Cain were also present for this meeting.

Agenda Item 1. Call to Order; Confirm a Quorum President Tommy Webb called the meeting to order at 5:31 pm and determined a quorum was present.

Agenda Item 2. Invocation Pete Kampf gave the invocation.

Agenda Item 3. Open Forum No one signed in to speak during the Open Forum.

Agenda Item 4. Consent Items:

- a. Approve Minutes of the Regular Board Meeting in February 2020
- b. Approve Financial Report for February and March 2020
- c. Adopt Resolution Updating the Signature Card for First Financial Bank
- d. Approve Committee List Appointments

The minutes of the February Board meeting were presented for consideration. Kathy detailed the financial report for February and March 2020. Jack motioned to pull consent items A and D for discussion. With no second, the motion failed. Glen moved to approve all consent items. Gene seconded the motion, and it passed 6 to 1, with Jack casting the dissenting vote.

Agenda Item 5. Consider 2019 Comprehensive Financial Report and the Independent Auditor's Report; Presented by George, Morgan and Sneed, P.C.

Kathy introduced Daniel Hungerford with George, Morgan and Sneed to present the 2019 Comprehensive Annual Financial Report. Daniel noted the Auditor's Report on page one. Their report concluded that the financial statements are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP), and this is an unmodified opinion. No findings were listed during the Audit. Gene noted a correction needing made to page 42 regarding the "Type of Industry" listed for some customers. Ronnie inquired about a discrepancy in the financials for the month of December on the Yeldell audit fees for 2017's retirement audit. Harry stated that he did not want to approve a draft version of the Audit without corrections made. Kathy and Daniel explained that the Audit was correct, and the only corrections needed, were the monthly financials' verbiage, which did not have an effect on the financials themselves. After some consideration, Eric moved to accept the 2019 Comprehensive Annual Financial Report and the Independent Auditor's Report as presented. Jack seconded, and the motion carried with four for and Harry, Ronnie, and Glen voting "no".

Agenda Item 6. Update on COVID-19 Pandemic Virus (Coronavirus) and JCSUD's Response Measures

Pete detailed a report listing process and procedure adopted by staff and management to protect employees and the public from exposure to the Coronavirus. Protective measures include temperature checks, providing gloves, masks, and disinfectant cleaners to employees to help sterilize all surfaces and splitting shifts and crews where possible. The lobby is currently locked down, and payments are accepted by phone, online, in the night drop and through the drive-through only, to limit employee exposure. Disconnections for non-payment are suspended through April 30.

Agenda Item 7. Report Inquiry from Mt. Peak SUD Related to Taking Wholesale Water from Mansfield

Pete updated the Board regarding discussions with Robert Childress, the engineer for Mountain Peak SUD. MPSUD is working with the city of Mansfield to become a wholesale contractor. Mountain Peak would like to partner with JCSUD to transport their allocation of wholesale water supply to their pump station east of our Plant 27. This is considered an update, and no action required.

Agenda Item 8. Update from e-HT Engineering on Construction Manager's Progress in Commencing with the CIP Bundled Project

Keith Kindle presented his update regarding the CIP Bundled Project. He noted that contract negotiation with Pepper Lawson is complete. Negotiations for the five installation packages are also complete. He plans to meet with Danny and Dana to confirm that they are agreeable with each of the subcontractors, after which he will be clear to proceed with the CMAR. The project is running on schedule to be complete in December of 2021 and is also on budget.


Agenda Item 9. First Quarter Department Reports: Staff, Directors, etc.

- Dana updated that 164 new meters have come on to the system this year and 32 new sewer connections. She noted that she expects that number to grow as the Joshua Meadows subdivision nears release for construction. The CDBG loan is requiring easement acquisition to begin currently.
- Ronnie inquired about the status of the Plant 16 Chloramine conversion. He was under the understanding it was completed in 2019. Danny clarified that it is with the state (TCEQ), whose processes are currently being affected by the virus. The conversion will be completed in 2020. Ronnie asked about the delay in the Water Master Plan. Danny informed that there has been some interaction with Jim Higgins in the matter. Danny will meet with Keith Kindle of EHT to get an update on the Water Master Plan Project.
- Kathy detailed the quarterly financials. Regarding the investment report, she noted \$2M less this year than the previous year, and interest rates are lower.
- Danny stated that he is seeing higher amounts of line locates due to an increase in telecommunications development this year. Regarding the AMI project, the second installer began installing meters the previous week. He expects the infrastructure to be completed in two weeks.
- Josh stated that he is currently working through some issues with the outsourcing of the bill printing. He is hoping the outsourcing will be complete next month. Regarding the Water Loss Report, he noted a 30% increase and offered that he and Danny will be looking into the cause for the increase in water loss. Harry asked for a report or an answer regarding the loss by the Friday of the following week. Pete stated that he would be working with department heads to investigate the cause of the increase.

Agenda Item 10. Adjourn

Ronnie moved to adjourn the meeting while Gene seconded the motion. A unanimous vote adjourned the meeting at 6:45 pm.


Tommy Webb, President


Ronnie Nichols, Secretary/ Treasurer