

Possum Kingdom Water Supply Corporation

1170 Willow Road
Graford, Texas 76449

Possum Kingdom Lake
940-779-3100 TDD 800-735-2989

Board of Directors Regular Meeting 10:00 AM Wednesday, January 15th, 2025

MINUTES

1. Call to order, roll call and establish quorum

The meeting was called to order and a quorum was established at 10:00am with all board members present.

2. Welcome and recognize visitors and guests

CJ Cole- RO System Presentation from Gicon

Jim Wiggins- RO System Presentation from Gicon

Gregg Nagle

3. Consent Schedule

- ♦ Approval of minutes from December 2024 regular meeting
- ♦ Approval of Treasurer's report and payment of bills for December 2024

Stacy Urban made a motion to approve the consent schedule. Dale Bankhead seconded the motion and it was approved by all.

4. Presentation of RO System by Gicon

CJ Cole provided an in-depth presentation on the Reverse Osmosis (RO) System, explaining its fundamental principle of using a semi-permeable membrane to remove contaminants and impurities from water. He outlined how the system functions by applying pressure to force water through the membrane, effectively filtering out dissolved salts, bacteria, and other impurities. Discussion amongst the board members included cost for RO System, approval from the Engineers and what is the long-term plan.

5. Discussion and Potential approval of SEP employee contribution

Sue Cathey presented the proposed contributions for the Employee SEP (Simplified Employee Pension) She highlighted the recommended percentage of contributions based on employee salaries. The proposed contribution rate was set at 10% of eligible employee salaries, in line with the company's compensation strategy.

After a brief discussion, Stacy Urban motioned to approve the proposed 10% SEP contribution for all eligible employees. The motion was seconded by Rosendo Ferrer, and the proposal was unanimously approved by all attendees.

6. Discussion and potential approval of cleaning skid replacement

Jason Ringo began by reviewing the performance of the current cleaning skid, which has been in operation for approximately 20 plus years. He pointed out that the skid has experienced increasing downtime due to recurring mechanical failures and inefficiencies in cleaning performance, resulting in higher maintenance costs and production delays. He emphasized the need for a reliable replacement to ensure continued operational efficiency. Jason expressed concerns about the long-term reliability of the in-house upgrade, recommending that the company invest in Aria Filtration for the replacement of the new skid options to reduce downtime and ongoing repair costs.

After further deliberation, Dale Bankhead motioned to approve the replacement of the cleaning skid in the amount of \$192,107.67, with Aria Filtration. The motion was seconded by Rosendo Ferrer. The proposal was approved by all directors present.

7. Discussion and potential approval of intake regrading

Jason presented the board with an overview of the current conditions of the hill going down to our intake. He explained the erosion has made it to only certain four-wheel drive vehicles with adequate clearance can traverse to and from the intake. He presented the board with the proposed regrade involving cutting and shaping the existing surface to remove the large defects, cut down the large rock in the middle of the roadway, then bring in road base the length of the hill and shape it to drain off the side instead of shedding down the middle of the road.

After discussion, Stacy Urban motioned to approve the intake regrading by Zook Services in the amount of \$9000.00. This motion was seconded by Scott Stubbs, and the proposal was unanimously approved by all attendees.

8. Discussion and potential assignment of Monty Land as independent election auditor for upcoming board election an appointment of Secretary/Treasurer and Vice President

Item was tabled by Sue Cathey

9. Discussion and potential approval of updated CNB signature authority

Item was tabled by Sue Cathey

10. Discussion and review of Manager's Report

Jason Ringo presented his comprehensive report for the previous month of December 2024. He touched base on general state of operations, financial performance, and future plans. He invited the board members to join him at the 2025 Rual WaterCon convention on March 26-28th located in Austin. He let the board know of the 3 after hours service calls since last meeting. He informed the board there was 7 RPZA completions since last board meeting. He let the board know that the techs have winterized all pump stations, water storage, and other areas of our system susceptible to freezing. Jason informed members that Micro-filter A is back online. He also let the members know that we had a annual inspection of the intake pumps and they all got a clean bill of health.

Jason gave the board an update in regards to Clearwater Point. He informed them that our engineers have signed off on Clearwater Point's on-site design. Justin Burney, our lead technician, is inspecting weekly to assess the work being done. His role is to identify potential issues before they escalate.

11. Discussion of any items of interest, including topics for future board meetings

Rosendo Ferrer provided the board with an end of the year statistics reports showing gallons sold, treated, discharged, and RAW. Dale Bankhead suggested a committee meeting prior to the next board meeting on February 19, 2025 for informational purposes in regards to the RO System. Dale, also requested a review and process be presented next board meeting in regards to safety protocols. Scott Stubbs suggested a run book be created for the corporation with business names and contact information in case of a disaster.

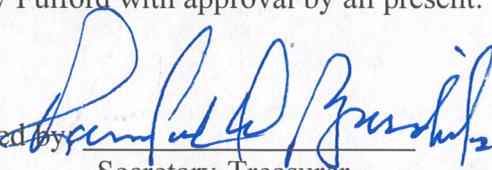
12. Establish time, date, and location of the next meeting of the board – proposed for February 19th, 2025 at 10:00 A.M. at Possum Kingdom Water Supply Corporation Office, 1170 Willow Rd, Graford, Texas 76449

The next meeting will be as proposed.

At any time during the meeting and in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the Possum Kingdom Water Supply Corporation Board of Directors may meet in executive session on any of the above agenda items or other lawful items.

13. Adjourn

The meeting was adjourned at 11:30 with a motion by Dale Bankhead and a second by Stacy Fulford with approval by all present.

Signed by 
Secretary-Treasurer

Date 2/19/25