

# Lake Palo Pinto Area Water Supply Corporation

Annual Members Meeting, March 12, 2022, 10:30 AM  
Lone Camp Community Center, 7236 FM 4, Lone Camp, Texas

1. The meeting was called to order by Karen Koonsman at 10:37 AM.
2. Prayer was given by Laura Jones.
- 2a. Roll call: Karen Koonsman, Harry Romine, Rick Best, Laura Jones, Bruce Rogers and Paul Coventry were present. Wayne Campaign was absent. We had a quorum.
3. Pledge of Allegiance
4. Last call for submission of ballots.
5. Attending the meeting were seventeen members, six board members and three employees. The number of ballots received was 68.
6. Members present in person and by proxy were 68. There were six board members and three employees present. We had a quorum and the meeting could proceed.
7. Approval of the minutes of the March 13, 2021, annual membership meeting. A motion to approve the minutes of the March 13, 2021, annual membership meeting was made by Kimmy Jones and seconded by Bobby Basel. The motion passed unanimously.
8. The election auditor volunteer was Sabine Coventry. After tallying the votes, the results were Place #2 Rick best and Place #3 Bruce Rogers were elected for a 3 year term on the Board of Directors.
9. Update of reports.
  - a. Auditors Report: Kim Knox from Boucher, Morgan and Young, reported on the Independent Auditors Report. The financial statements referred to in the report present fairly the financial position of the Lake Palo Pinto Area Water Supply Corporation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. The Corporation has ended the year in good financial condition.
  - b. Presidents Report: The Presidents letter was included in the agenda packet. President Karen Koonsman extended a special thanks to Chase Lerma, James Storms and Krisenda Criswell for their dedication and hard work. The infrastructure committee has designated two places we hope to upgrade this coming year at Dunn Dr. and Lakepoint Dr. We did not receive any additional funding or grant money this year and we feel we can finance these smaller projects ourselves. Last year we went up on our water rates because of an increase in the cost of water from the Palo Pinto Municipal Water District #1. This year we are not going up on our rates now but our suppliers have almost all informed us that

chemical and other supplies are going up significantly. We may have to adjust the rates in the middle of the year.

c. Finance Chair Report: Harry Romine is chairman of the finance committee and said we have ended the year in better financial condition than last year. We are adding monthly to our contingency funds. James and Chase have helped to keep expenses down and deserve some credit for the positive bank balance. Inflation is a great concern and we will continue with our budget plan and resist raising the rates as long as possible.

#### 10. Open Public Forum:

a) Mike Foltz asked about the Restricted Assets on page 3 of the audit report. A detailed description is in note #3 on page 11 of the report. Our loan agreements require the corporation to accumulate one year's principal and interest payment on the related note within 5 years of receiving the loan in case the corporation should default. When the note is paid off the corporation can move the funds to the operations accounts and spend it according to our needs. Our four loans are properly funded and these funds are the Restricted Assets.

b) Carol Owens asked about bulk water rates and usage. Bulk water users apply at the office and buy potable water or non-potable water at rates that are lower than residential rates. The LPPAWSC does not really have an emergency source of water if the lake runs dry. There are plans to share water with nearby systems but none are adequate to replace the lake.

c) Sharon Thomas asked about grants and other sources of money. We did not get any grant money this year. Chase pursued one avenue through the county and the commissioners declined to apply for the LPPAWSC this year. We are somewhat handicapped by not being a municipal water system and as such we have to go through Palo Pinto County. We will continue to apply for grants anywhere we can. For members who cannot pay their bills there are local and state aids available. Any member needing assistance please contact the office and we will try to assist.

d) Paul Koonsman asked how many acre feet of water we were contracted for from the Palo Pinto Municipal Water District #1. We have a contract for 250 acre feet and we used about half of that last year. Each acre foot corresponds to 325,851 gallons. Last year we sold 29,992,730 gallons and we took from the lake 42,401,800 gallons. The 13 million gallon difference was attributed to water leaks, fire usage and flushing. Paul asked about the progress of insulating the necessary piping at the plant to prevent a freeze up like we had in February of 2021. Chase reported the work has been contracted and has yet to begin. The state legislature has passed new laws last year mandating several changes aimed at maintaining water flow to members and customers during an emergency. We are planning and working to accomplish these required changes.

e) Susan McInnis asked about developers and Chase related some of the projects from this last year. The total number of members now is 624 and the number of accounts is 701. All meters are now remote read type and the meter reading now takes one man half a day where as it took two days

previously. More than 100 meters were old and evidently reading inaccurately because our water loss figures changed significantly.

f) Gregg Trout inquired about the cost of a tap and the application process. He also asked about planning on the Lake Turkey Peak project.

11. Closing comments: To all our members, have a happy and healthy year.

12. A motion to adjourn was made by Sharon Thomas and seconded by Carol Owens. The motion passed and the meeting was adjourned at 12:01 PM.