

ATHENS MUNICIPAL WATER AUTHORITY
February 8, 2017

The Board of Directors of the Athens Municipal Water Authority ("AMWA") met in Regular Session on Wednesday, February 8, 2017, 8:00 a.m. at the Lake Athens RV Park Event Center, with the following members present, to-wit:

Mike Peek, President
Ed Gatlin, Vice President
Don Foster, Secretary
Milburn Chaney, Board Member
Frank Lunceford, Board Member

others present: Bill Casey, AMWA Executive Director; Martin Bennett, AMWA Attorney; Corey Frentress, Velvin & Weeks; Beth McConnell, AMWA Office Manager;

guests of note: Ed McCain, City of Athens; Lawrence Cutrone, City of Athens; Mike Finney, City of Athens; Ryan Adams, City of Athens; Philip Rodriguez, City of Athens

constituting a quorum at which time the following proceedings were enacted to wit:

CALL TO ORDER

The meeting was called to order at 8:01 a.m. by President Peek.

DECLARATION OF CONFLICT OF INTEREST

No conflicts of interest declared.

OPPORTUNITY FOR CITIZENS TO EXPRESS ITEMS OF CONCERN

Mrs. Jane Nettune, of Impala South, started by thanking AMWA for providing one of the safest, cleanest lakes in Texas. She also wanted to voice her concern that AMWA only increase its Lake Service Fees in line with what is needed for operations. She also reminded the Board that they are invited to a special meeting with Richard Ott, PhD, to see if AMWA's concerns can line up with Lake property owner's concerns regarding aquatic vegetation.

CONSENT AGENDA

A motion was made by Director Lunceford and seconded by Director Chaney to accept the minutes of the January 11, 2017 Regular Session Board Meeting, as presented. This motion carried four to one, with President Peek abstaining

COMMITTEE REPORTS

Director Gatlin presented the financial statements.

Director Gatlin presented the monthly bills for payment. A motion was made by Director Gatlin and seconded by Director Lunceford for payment of those bills. This motion carried unanimously.

President Peek provided the highlights of a Special Session of the Athens City Council on January 18, 2017, that was attended by himself, Director Chaney and Office Manager McConnell. The agenda related to water in its entirety, specifically regarding Water Treatment Plant Well #1 and the Water Treatment Plant.

PRESENTATION OF THE ANNUAL FINANCIAL AUDIT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016

Mr. JW Lambright, representing Smith, Lambright & Associates, presented an overview of their finding as it related to the prior fiscal year. Mr. Lambright discussed the auditing requirements for publicly funded retirement accounts, the basic financial statements, and capital asset accounting.

A motion was made by Director Gatlin and seconded by Director Chaney to accept the findings of the financial audit for the fiscal year ending September 30, 2016. This motion carried unanimously.

DISCUSS AND ACT UPON CHANGES TO THE ANNUAL CPI ADJUSTMENT TO THE LAKE ATHENS SERVICE FEE STRUCTURE

Executive Director Casey explained that the Lake Athens service fees have not been adjusted since January 2012. In AMWA's Rules & Regulations, these fees should be evaluated based on the current consumer price index. Executive Director Casey explained that the CPI for January 2017 was 6.98% higher than the last adjustment. The Board was presented with what the fee structure would look like at both a 6.98% price increase and a 3.49% increase.

A motion was made by Director Chaney to keep the existing fee structure, with no changes. This motion died for a lack of a second.

Director Lunceford made a motion, seconded by Director Foster, to increase the Lake Athens service fees by the 3.49%, as presented. This motion carried four to one, with Director Chaney dissenting.

UPDATE AND DISCUSSION REGARDING TCEQ AND FUTURE OPERATIONS AT THE WATER TREATMENT PLANT

Executive Director Casey gave an update regarding the discussion with TCEQ and who will be fined for violations at the water treatment plant and the engagement of an Austin attorney to work towards a resolution with TCEQ.

DISCUSS AND ACT UPON RESCINDING EXECUTIVE DIRECTOR CASEY'S AUTHORIZATION TO PULL THE WELL HEAD/PUMP FOR WATER TREATMENT PLANT WELL #1

In December, the Board of Directors voted to authorize Executive Director Casey to pull the well head of the well located at the Water Treatment Plant, in order to get a full understanding of any damage that may have occurred after City of Athens deadheaded the well over summer 2016. After being given this authorization, Executive Director Casey received a call from City of Athens Administrator Philip Rodriguez, asking to not pull the well head, as the City was going to attempt a repair. The City of Athens claims the well is operational, so Executive Director Casey would like the Board to officially remove his authorization to pull the well head.

A motion was made by Director Chaney, and seconded by Director Lunceford, to rescind Executive Director Casey's authorization to pull the well head/pump of Water Treatment Plant Well #1. This motion carried unanimously.

DISCUSS AND SEND FORMAL CORRESPONDENCE TO THE CITY OF ATHENS REGARDING WELL REPAIRS FOR WATER TREATMENT PLANT WELL #1

Given that the City of Athens requested that the Authority not pull the well head and inspect the pump, of Water Treatment Plant Well #1 and the City of Athens went ahead with well repairs of their own volition, a letter was presented to the Board of Directors to send to the City of Athens Mayor, Council, and City Administrator. This letter stated that since well repairs were completed without pulling the well head, and the well appears to be fully operational, as of January 11, 2017, it is the opinion of the Board that the Authority is absolved from any additional repairs or maintenance of Water Treatment Plant Well #1.

A motion was made by Director Foster, and seconded by Director Lunceford, that the Authority send this correspondence to the City of Athens. This motion carried unanimously.

DISCUSS AND ACT UPON VARIANCE REQUEST FOR A 340 SQUARE FOOT CONCRETE PAD WITH FIRE PIT, FOR ZUELER HAWLEY SUBDIVISION, LOTS 14 & 15, AS REQUESTED BY DORIAN AND BRENDA REEDER

Mr. Reeder presented the Board with plans for a 340 square foot aggregate pad with fire pit, letters from his adjoining neighbors agreeing with the plans and the approximate placement of the pad.

A motion was made by Director Gatlin, seconded by Director Chaney, to allow the Reederes to construct the pad with fire pit, as presented. This motion carried unanimously.

DISCUSS AND ACT UPON VARIANCE REQUEST FOR A 330 SQUARE FOOT FLAGSTONE PATIO WITH FIRE PIT, FOR TIMBERLAKE ESTATES SUBDIVISION, LOT 1, AS REQUESTED BY RAFAEL COLORADO

Mr. Colorado was not present to answer any questions from the Board of Directors. As such, a motion was made by Director Lunceford, seconded by Director Foster, to table this request. This motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Casey gave an update on the Authority's operations, new headquarters building, and the police department.

ENGINEER'S REPORT

Corey Frentress, of Velvin & Weeks Consulting Engineers, stated that Carr Construction has begun moving equipment in anticipation of beginning the dam toe drain project. Additionally, TCEQ has reviewed and accepted the construction plans for the project.

ADJOURN

A motion was made by Director Gatlin and seconded by Director Lunceford to adjourn the meeting at 8:38 A.M.

PASSED AND APPROVED on this 8th day of March 2017.

Mike Peek, President

ATTEST:

Donald A. Foster, Secretary