

ATHENS MUNICIPAL WATER AUTHORITY
September 14, 2016

The Board of Directors of the Athens Municipal Water Authority ("AMWA") met in Regular Session on Wednesday, September 14, 2016, 7:58 a.m. in the Hart-Morris Conservation Center of the Texas Freshwater Fisheries Center, with the following members present, to-wit:

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

absent: Frank Lunceford, Board Member

others present: Bill Casey, AMWA Executive Director; Martin Bennett, AMWA Attorney; Corey Frentress, Velvin & Weeks; Tyler Hendrickson, Velvin & Weeks; Beth Flach, AMWA; Neal Velvin, Velvin & Weeks; JW Lambright, Smith, Lambright & Associates;

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

CALL TO ORDER

The meeting was called to order at 7:58 a.m. by President Peek.

DECLARATION OF CONFLICT OF INTEREST

No conflicts of interest declared.

OPPORTUNITY FOR CITIZENS TO EXPRESS ITEMS OF CONCERN

Ms. Ellen Key, of Impala Point, questioned who benefits from having a "trailer park" at the Marina

Mr. Jeff Whitnah, of Peninsula Circle, remarked that any changes to the marina agreement should be brought to a public forum and not voted on at the same meeting that the changes are requested.

CONSENT AGENDA

A motion was made by Director Gatlin and seconded by Director Chaney to accept the minutes of the August 10, 2016 Regular Session Board Meeting, as presented. This motion carried unanimously.

COMMITTEE REPORTS

Director Gatlin presented the financial statements.

At this time, Director Gatlin presented the monthly bills for payment. A motion was made by Director Gatlin and seconded by Director Foster for payment of those bills. This motion carried unanimously.

The Board of Directors then reviewed a list of 2015-16 budget year amendments. A motion was made by Director Gatlin and seconded by Director Foster to amend the 2015-16 budget as presented. This motion carried unanimously.

A motion was made by Director Gatlin and seconded by Director Chaney, to renew the certificate of deposit that matured on September 11, 2016, for three years, at the best possible rate. This motion carried unanimously.

A motion was made by Director Gatlin and seconded by Director Chaney, to reaffirm the authorized signatures on the Office Management account. This motion carried unanimously.

A motion was made by Director Chaney and seconded by Director Gatlin to adopt a resolution reaffirming the Investment Policy as written. This motion carried unanimously.

Director Foster gave reports for both the Water/Resources and Infrastructure/Engineering committees:

Director Foster's business, Andrews & Foster Drilling Company, was contracted by the City of Athens to investigate and correct perceived deficiencies of the well, located at the Water Treatment Plant. Upon investigation, his employee found that a line had ruptured. This line was ruptured due to a valve being closed upstream, when the well pump was turned on. The immediate problem with the ruptured line was remedied by Andrews & Foster staff. The concern going forward is that the extent of the damage done to the pump, due to the "deadhead" (operating the pump, while the upstream valve is closed, creating a pressure vacuum around the well pump), is unknown at this time. The pump could function properly for years, months, or just weeks. In Director Foster's expert opinion, the City of Athens was extremely lucky that there was not more extensive damage to the pipeline or pump, due to this operator error.

President Peek gave a report on meetings held with AMWA, Athens Economic Development Corporation, and the City of Athens, regarding partnering on a road/water/sewer project at the Athens Industrial Park. There are currently no additional meetings scheduled, as the original tax abatement plan proposed by the City of Athens is not feasible for this project.

2016-17 FISCAL BUDGET

A motion was made by Director Chaney and seconded by Director Foster to open the public hearing regarding the upcoming year budget. This motion carried unanimously.

Director Gatlin presented the proposed budget to the citizens in the audience. The budget as presented consists of \$1,080,793 in income, \$1,668,954 in total expenses (operational and capital), and \$1,750,000 being reserved for future well development.

A motion was made by Director Foster and seconded by Director Chaney to close the public hearing on the 2016-17 budget. This motion carried unanimously.

A motion was made by Director Gatlin and seconded by Director Foster to approve and adopt a resolution setting the 2016-17 fiscal year budget as presented. This motion carried unanimously.

SELECTING AN AUDITING FIRM FOR THE 2015-16 THROUGH 2017-18 FINANCIAL AUDITS

A motion was made by Director Chaney and seconded by President Peek to award the professional services contract for the 2015-16 through 2017-18 financial audits to Smith, Lambright & Associates. This motion carried three to one, with Director Gatlin dissenting.

EXECUTIVE DIRECTORS REPORT

Executive Director Casey gave an update on AMWA and the AMWA Police Department.

A motion was made by Director Gatlin and seconded by Director Foster to authorize the Executive Director and staff to solicit price quotations for the network infrastructure and technology needs for the new headquarters building. This motion carried unanimously.

ENGINEER'S REPORT

Corey Frentress of Velvin & Weeks Engineering Consultants gave an update on the testing and proposed plan for remediating the seepage issue at the Lake Athens Dam. This plan includes building a sixteen foot wide access road, tree clearing, and a toe drain measuring nearly 450 feet.

A motion was made by Director Gatlin and seconded by Director Chaney to authorize Velvin & Weeks Engineering to advertise for construction bids for the Lake Athens Dam project. This motion carried unanimously.

EXECUTIVE SESSION PERSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551

A motion was made by Director Gatlin and seconded by Director Foster to enter into executive session for the purpose of the annual evaluation of the Executive Director of the Authority (Texas Government Code section 551.074) and consultation with the Attorney of the Authority, to discuss the recent communications from TCEQ (Texas Government Code section 551.071). This motion carried unanimously and the Board of Directors entered into Executive Session at 9:00 A.M.

At 9:19 A.M., a motion was made by Director Gatlin and seconded by Director Foster to return from Executive Session. This motion carried unanimously.

No action was taken from Executive Session.

ADJOURN

A motion was made by Director Gatlin and seconded by Director Foster to adjourn the meeting at 9:20 A.M.

PASSED AND APPROVED on this 12th day of October, 2016.

Mike Peek, President

ATTEST:

Donald A. Foster, Secretary

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