

LAKE BONANZA WATER SUPPLY CORPORATION
DIRECTOR BOARD MEETING
June 9, 2016
KOA 19785 Highway 105 West Montgomery, Texas 77356 6:00 P.M

President Mary Wesolick called the meeting to order. Joe Gonzalez, Lance Molchan, Tracy Michaud, David Miller and Karen Gonzalez were present and made a quorum.

Minutes of the May 12th meeting which had been reviewed by the Directors were approved by a motion from David and a second by Lance. The motion passed.

Bryan Toldan of McCall Gibson Swedlund Barfoot PLLC was present and gave each Director a draft copy of the Auditor's Report for the years 2014 and 2015 to review and he guided them through the report. Joe motioned to approve the audit subject to a final review by the Board. David seconded and the motion passed unanimously.

Joe motioned to approve and pay the bills that had been reviewed by the Directors. Lance seconded and the motion passed.

Mike from Wagners gave the Director Report. He reviewed communication between Engineering firm Fontaine & Associates and the TCEQ regarding LBWSC'S capacity violation. He felt there would be a resolution soon. Mike said he will communicate with Steve Bowen's request for service and inform him that approval from the state is anticipated for an exception to the capacity violation. Also, to inform him there may be need for improvements to meet requirements. Tracy made a motion be accept the Directors Report and Lance seconded. The motion passed.

Melanie from Wagners presented the Financial Report. She will have information in July about SJRA's fee increase. Joe motioned to accept the report and Lance seconded. The motion passed. Melanie noted the additional payment to principal on loan number 1 was delivered to the USDA and credited without any interest funds taken out.

The Board next reviewed the Operators Agreement. Joe motioned to approve this agreement with the changes discussed in the meeting and Tracy seconded. The motion passed. Melanie will prepare the agreement for signatures by the Board and Wagners.

Mike then informed the Board that Wagners is transitioning out of using the company name Wagners, to using C & R Water Supply Incorporated.

Sincerely,

Karen Gonzalez
Secretary, LBWSC

