

LAKE BONANZA WATER SUPPLY CORPORATION
DIRECTOR BOARD MEETING
September 8, 2016
KOA 19785 Highway 105 West Montgomery, Texas 77356 6:00 P.M

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

Lance made a motion to accept the minutes after a correction was made. Tracy seconded and the motion passed unanimously.

There was no public comment. Director David Miller arrived to the meeting. Mary suggested adding to the agenda the statement, "The Board may refrain from discussing or making a decision at that time" and removing the No discussion or decision will be made. The Board agreed.

Joe made a motion to approve and pay the bills that had been reviewed by the Board. Lance seconded and the motion passed unanimously.

Mike from C & R gave the Director Report. He noted there could be issues with main line valves and main line location (Shawnee....) with Aqua Texas Water. He stated he had a meeting scheduled concerning this. Tracy motioned to accept the Director Report and Joe seconded. The motion passed unanimously.

Melanie from C & R presented the Financial Report. Lance motioned to accept it and David seconded. The motion passed unanimously. Melanie stated LBWSC's tariff needed a Pass Through Clause. Tracy motioned to add it to the tariff and Lance seconded. This passed unanimously. Melanie will add it and submit it to the Public Utility Commission. Melanie presented information to the Board relating to the increase of the Lone Star Ground Conservation District fee and also the Regulatory Fee that LBWSC customers are not presently paying. Tracy motioned to increase the LSGCD fee to be collected from customers to 11cents per thousand gallons of water starting September 8, 2016. Joe seconded and it passed unanimously. David motioned to charge customers the Regulatory fee of .005cents per thousand gallons of water beginning September 8, 2016. Karen seconded. This passed unanimously.

President Mary discussed the positives of the LBWSC to continue reviewing options of paying down debt. She next presented an example of a form customers could use to aid in understanding issues they have and give the Board information they need to make decisions.

Mary then reviewed Mr. Rodney Snell's statements and claims regarding the Lake Bonanza's POA large water bill for July. He had claimed the meters had not been read so did not know there was a leak, which resulted in 221,000 gallons of water used. He added LBPOA's well was used to fill the pools and not the community water because it would cost too much. Mr. Snell had requested Wagner services pay part of LBPOA's July bill. Mary read the following statement into the record.

"An investigation was done by both Lone Star Groundwater Conservation District and members of this board. Readings of the LBPOA meter to check for usage, as well as photographic evidences of the alleged leak was used. All of the evidence indicates that Mr. Rodney Snell's testimony of a leak, and the use of their own well to refill their pools, was absolutely false."

September 8, 2016

Page 2

Next, Mary discussed information regarding information from Rick Wagner about Ultrasonic smart water meters from S&J Meter. The Board agreed to place this subject on the January, 2017 agenda.

Items for the October, 2016 agenda will include the completing of the customer form for concerns they have for the board to hear and continuing discussion of paying down debt of LBWSC.

Tracy motioned to adjourn and David seconded. Motion passed and the meeting was adjourned at 8:19 P.M.

Sincerely,

Karen Gonzalez
Secretary, LBWSC