
MINUTES
of the March 31, 2021
Special Board of Directors Meeting

Directors Present: Dixon McNair, President; Seth Gunn, Vice President; Jo Ann Friemel, Treasurer; Chester Johnson, Director
Directors Absent: Bobby Gilmore, Secretary
Others Present: Bradley Loehr, Engineer; Lori Steffek, Office Manager;

The meeting was called to order by Mr. Dixon McNair, President, at 12:30 p.m. on March 31, 2021, at the Fayette County WCID - Monument Hill District Office located at 100 Country Club Drive in La Grange, Texas

Agenda Item #1 Public Comments - No public comments were received.

Agenda Item #2 Approval of Minutes from the March 11, 2021 Regular Board of Directors meeting: The Minutes from the March 31, 2021 regular Board of Directors meeting were presented for approval.

Mrs. Jo Ann Friemel made a motion, seconded by Mr. Chester Johnson, to approve the Minutes of the March 11, 2021 regular Board of Directors meeting as presented. The motion passed unanimously with four Directors being present and voting.

Agenda Item #3 Review, consider and take appropriate action on executing all loan closing documentation related to the \$153,000, 5-year loan, with Government Capital Corporation: Mrs. Steffek reviewed the following with the Board: the Resolution regarding the District entering into a loan agreement with Government Capital, the Loan Agreement between the District and Government Capital Corporation, the Promissory Note to Government Capital, IRS Form 8038-G Informational Return for Tax-Exempt Governmental Bonds, IRS Form W-9 and the wire transfer form for the loan proceeds. Mrs. Steffek reported that both the District's legal counsel, Lisa Patterson, and financial advisor, Bill Blitch, had reviewed and approved the above for signing and execution.

Mr. Seth Gunn, made a motion, seconded by Mr. Chester Johnson, to do the following:

1. Approve and adopt the Resolution regarding the District entering into a loan agreement, dated April 7, 2021 with Government Capital Corporation to finance the rehabilitation of a ground storage tank and paying costs of issuing the loan, in an amount equal to \$153,000 and to pledge, as security of payment of the principal, its water and sewer revenue until such time as the loan is paid in full.
2. Approve and execute the Loan Agreement between the District and Government Capital Corporation, dated April 7, 2021, for \$153,000, at an interest rate of 2.25% per annum.
3. Approve and execute the Promissory Note to Government Capital Corporation for \$153,000, at a 2.25% interest rate per annum, payable in 5 equal annual payments of \$32,696.13 due on April 7th of years 2022, 2023, 2024, 2025 and 2026.
4. To have the loan proceeds wired to the District's Operating Account at National Bank and Trust in La Grange, Texas.
5. To maintain a minimum balance in the District's Operating Account at National Bank & Trust of \$33,000, as debt service for the annual loan payment until such time as the loan is paid in full or a specific debt service account is established for repayment of the loan.

6. To have all above cited documentation (Resolution and loan closing paperwork) signed and executed by Mr. Dixon McNair, President, and witnessed by Mr. Seth Gunn, Vice President.

The motion passed unanimously with four Directors being present and voting. The Resolution and loan closing documentation was signed and executed.

Agenda Item #4 Consider and take appropriate action on matters related to the construction and financing for the rehab of the WP1 Ground Storage Tank and Pressure Tank: No action was taken on this matter.

Agenda Item #5 Consider and take appropriate action on matters related to the construction and financing for the rehab of the WP2 Ground Storage Tank and Pressure Tank: Mr. Loehr reviewed with the Board the following:

- a. WP2 Ground Storage Tank interior was inspected. It's recommended that the interior be painted in 2-4 years, the fill pipe is broken at the bottom flange inside of the tank and it has what appears to be a small leak at the bottom. Cost to sandblast and coat the interior would be \$75,000, plus another \$14,250 in other miscellaneous repairs: touch up exterior ladder safety cage (\$1500), roof hatch welding repair (\$2,000), spot prime/coat GST exterior (\$6,500), PTFE screen for vent (\$500), overflow flapper repair (\$500), surface prepare and coat float assembly (\$1,500), fix cracked inlet piping and flange (\$1,250) and shell bolt leak repair (\$500). Total cost of project excluding engineering and inspections would be \$89,250. Additional engineering would be approximately \$3,500 plus another \$5,000 in inspections. Additional purchasing of FWSC water would be approximately \$7,365 since project wouldn't be completed until mid-end of May. Mr. Loehr reported that the cost estimate to sandblast and coat the exterior of the tank would be around \$40,000. Mr. Loehr discussed with the board the approximate costs for the purchase of a new steel bolted ground storage tank which would be \$160,000.

The Board discussed the costs associated with rehabilitating the ground storage tank at water plant #2 as compared to the costs for a new, similar style tank and agreed that they would prefer to wait 2-4 years and accrue the funds for the project.

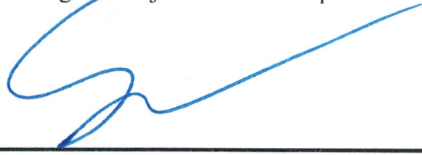
- b. WP2 Pressure Tank was inspected and found to have approximately five 12" diameter locations on roof and end cap that are delaminated already and at least 70% of roof is corroded. Recommend interior and exterior of pressure tank be sand blasted and coated now rather than later. Cost for project \$22,000 plus engineering and inspections. CFG Industries will be able to do this project now and shouldn't require a mobilization fee. Mrs. Steffek reported that there were ample funds in the RTSB MM operating account, which is normally reserved for larger projects, to cover the costs associated with the needed repairs to the pressure tank at WP2.

Mr. Seth Gunn made a motion, seconded by Mr. Chester Johnson to have CFG Industries make the needed repairs to the pressure tank located at water plant #2 at a cost of \$22,000 plus engineering and inspections and to authorize Dixon McNair, President, to sign the quote provided by CFG Industries, Inc. The motion passed unanimously with four Directors present and voting.

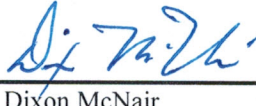
Agenda Item #6 Consider and take appropriate action on submitting application to USDA for Emergency Community Water Assistance Grant (ECWAG) of \$150,000 to be used toward the purchase of generator(s): Mrs. Steffek reported that she and Mr. Loehr had discussed the matter and based on the information he's obtained thus far, it looks like the District wouldn't be eligible to receive grant funds due to the median income requirements of the resident's residing within the District's boundaries. No action was taken on this matter.

Agenda Item #7 Consider and take appropriate action on items to be placed on the next agenda: Due to this special meeting taking place one week prior to the District's regular monthly meeting scheduled for April 8, 2021, the Board agreed to not meet in April, unless another special meeting is required. Items were identified and placed on the agenda for the next regular Board of Directors meeting on Thursday, May 13, 2021 at 4 p.m. at the District office, located at 100 Country Club Drive, La Grange, Texas.

There being no further business to come before the Board, Mr. Chester Johnson made a motion, seconded by Mrs. Jo Ann Friemel, to adjourn the meeting. The motion passed unanimously with four Directors being present and voting. The meeting was adjourned at 1:03 p.m.



Mr. Seth Gunn
Vice President



Mr. Dixon McNair
President