

FORT GRIFFIN SPECIAL UTILITY DISTRICT

1180 C.R. 109
Albany, TX 76430

FORT GRIFFIN SPECIAL UTILITY DISTRICT Board of Directors met Wednesday August 9, 2023 at 11AM, at 609 Railroad Street, Albany, Texas.

President McKelvain presided and called the meeting to order at 11:08 am. Board members present: Sug Roller, Sid Collinsworth, Ben Hale and Robert Montgomery. General Manager Mark Gardenhire, Office Administrator Carrie Holson and Engineer Derek Turner were also present.

Visitor Comments: No visitors present.

McKelvain opened the meeting with discussion from Gardenhire and Turner regarding the proposed Plant Project. It was stated that Snyder signed the Letter of Conditions on Friday Aug 4th after Todd Powell with USDA called with an offer to set aside funding for the project. Signing did not obligate FGSUD to anything, but obligated the funds to the SUD should they proceed. The letter of intent was for \$5.91 million loan at a 1% interest rate and \$2.53 million grant. Turner was happy with the funding stating the interest rate is lower than anyone predicted. Based on Turners estimates, to pay the loan off, customer rates would need to increase around \$14/month/customer. Hale made a motion to approve the Letter of Conditions for Additional Funding for Plant Project; motion seconded by Roller; motion carried.

Gardenhire informed board that an unexpected loan payment had been taken from the USDA Construction account and funds had been transferred from reserves to cover the payment. Snyder stated he was at the office when notice was received about the payment, and no one was certain why the bond counsel had scheduled the payment for the loan prior to the usual one year post construction. It was further determined that because the bond counsel set it as a principal payment vs. an interest payment, Turner could not request grant funds to cover it.

Turner stated construction has begun on the standpipe on Hwy 6. Roller asked for clarification that the proposed \$14 rate increase would only cover the cost to fund the loan for the plant and did not include an increase to help the operating budget. McKelvain stated that was correct and that the budget committee would need to address needs for an additional increase for the operating budget. He added that during the last rate study, it was noted that FGSUD rates were low compared to the state average.

Turner recapped that the loan for \$3.759 million for the standpipe and additional distribution lines on Hwy 6 and in Throckmorton had been approved and is what is currently under construction. He stated FGSUD will receive the \$1.5 million loan from TWDB to get water to Hubbard Lake and the cost of the Water plant/crossing Hubbard Lake is \$8.4 million for a total project cost of \$12.12million. McKelvain asked if board members had any addition comments. Roller said she feels should keep moving forward. Snyder stated feels like we are lucky to get such good rate and grants and that the SUD will see the benefits of the project for years to come. He added after speaking with USDA while signing the letter of intent to obligate the funds, he felt good about it (the project).

Montgomery made a motion to approve Adoption of Loan Resolution. Motion seconded by Hale; all voting in favor; motion carried.

Turner was excused from meeting due to other obligations.

Roller made a motion to open an account at First Financial Bank Albany to be utilized for reserves and payments for USDA Loan 04 with Burrell McKelvain, Mark Gardenhire, Carrie Holson, Robert Montgomery, Sam Snyder and Sug Roller as signatures on the account. Motion seconded by Hale; all voting for; motion carried.

Gardenhire updated the board on the Public Hearing held in Cisco on August 3rd, stating about 130 citizens attended. After he gave history of the SUD, Turner explained the purpose of meeting to be to determine interest for services along Hwy 6, CR 204 and Northshore Drive. Most interest expressed at the meeting was for service along CR 104. Turner will map interest and start putting together a proposed project.

Hale was excused from meeting due to other obligations.

Gardenhire informed board the crew was out working on changing valves in the Woodson area and we had notified customers who could be reached and hoped to have the project complete by end of day. He also stated the tank at Throckmorton had been having trouble with regulating chemicals. The mixer went out and was replaced with warranty but was not enough so Axis came out and replaced the mixer and board should expect to see a bill of around \$13k for the repair.

Roller made a motion to approve the minutes of the July 5, 2023 meeting. Motion seconded by Collinsworth; motion carried.

Snyder made a motion to approve financials. Motion seconded by Montgomery; motion carried.

No further action was taken by the board and Collinsworth made a motion to adjourn the meeting at 12:55 PM. Motion seconded by Montgomery; the motion carried.

Attest:

Burrell McKelvain, Certifying Official
Fort Griffin Special Utility District

Carrie Holson, Office Administrator