Fort Griffin Special Utility District

1180 C.R. 109

Albany, TX 76430

FORT GRIFFIN SPECIAL UTILITY DISTRICT Board of Directors met Thursday, February 1, at the Prairie Star Catering Shack, 100 Ellison St., Albany, TX.

Board President Burrell McKelvain called the meeting to order at 12:42 p.m. Other Directors present were Ken Hill, John Adams, Jim Blancq, Sam Snyder, and Robert Montgomery. Office Manager Betty Shelton and Operator/Tech Tyler George also attended the meeting. Engineer Derek Turner and accountant Michael Hamby were present to give project updates and audit report.

Visitor Comments, limited to five minutes: Sid Collinsworth was present but had no comments.

Auditor Michael Hamby with Merritt, McLane & Hamby, PC distributed copies of the 2016-2017 Audit to Board members and reviewed items to continue to work on. He stated that there were no issues or problems, and the firm gave a “clean and qualified opinion,” which is good. Michael thanked Betty for doing a commendable job in being prepared with paperwork, reports, and other information needed for the audit. Some of the concerns that the auditors have include the considerable drop in the District’s cash balance and having no Reserve account in the amount required for the USDA Rural Development loans. Betty has been making monthly deposits to a separate account in order to bring the Reserve balance back up to 10% of the annual loan payments ($14,908 x 12 = $178,836 x 10% = $17,883.60 ÷ 12 = $1,490/month deposited). Michael received a letter from Todd Powell with USDA Rural Development stating this was acceptable to them. The auditors were also concerned that the loan for the purchase of land for the site of a new water treatment plant was guaranteed by monies from Certificate of Deposit rather than holding the land as collateral for the loan. Michael stated that he received a letter from the First National Bank stating the loan would be guaranteed by the land as collateral as soon as paperwork could be completed, which would release the pledge on the CD. Following further discussion, John Adams made a motion to approve and accept the audit as submitted. Sam Snyder seconded the motion, and it carried.

Approval of minutes: Following a review of the January 4, 2018, meeting minutes, John Adams made a motion to approve the minutes as read. Ken Hill seconded the motion, and it carried.

Approval of January, 2018 expenditures and financial reports: Questions were asked concerning the haul truck repairs and Tyler gave an update on the previous and most recent problems with the truck. The Budget vs Actual Report and Directors Report were also reviewed. Following the discussion and a review of the January expenditures and financial reports, Sam Snyder made a motion to approve the expenditures and reports as submitted. John Adams seconded the motion, and it carried.

Review Investment Policy: Betty distributed copies of the current Investment Policy of FGSUD and asked Board members to review it for approval at the March Board meeting. An annual review and/or update of the policy is required of the auditors during each fiscal year.

Update on RD Project: Engineer Derek Turner reviewed the letter and maps sent by Chris Wingert last month, as well as a letter explaining his evaluation the impact of the various alternatives to FGSUD’s improvement project. Since there is not a hydraulic study for the current system, he needs more information to evaluate the merits of each proposed connection point from a hydraulic standpoint. Derek suggested that he contact Mr. Wingert and request updated data to go forward with the hydraulics study. Following a discussion, John Adams made a motion that Derek take necessary action to upgrade a hydraulic model. Sam Snyder seconded the motion, and it carried.

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Copies of an “Agreement to Share Cost for Preliminary Engineering Study and Limited License for Use” submitted by Stephens Regional SUD was reviewed by the Board. The Agreement stated that SRSUD is willing to share the technical information obtained in a pilot project and study at an amount equal to one-third of the approximately $149,035 cost incurred by SRSUD. A discussion followed, but no action was taken at this time.

There being no further business, Ken Hill made a motion that the meeting adjourn. Robert Montgomery seconded the motion, and the motion carried. The meeting adjourned at 2:27 p.m.

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Burrell McKelvain, Certifying Official

President of the Board