



**South Plains Water Supply Corporation
Board of Directors Meeting**

Shallowater Community Center
900 Avenue H.
Shallowater, Texas 79363

Thursday, January 18, 2023 – 6:00 p.m. CST

South Plains Water Supply Corporation

Board of Directors Meeting Agenda

Thursday, January 18, 2024, at 6:00 p.m. CST
Shallowater Community Center
900 Avenue H., Shallowater, TX 79363

TO: THE BOARD OF DIRECTORS OF SOUTH PLAINS WATER SUPPLY CORPORATION AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given pursuant to Section 551 of the Texas Government Code that the Board of Directors of South Plains Water Supply Corporation will hold a Board Meeting at 6:00 p.m. CST on Thursday, January 18, 2024, at 900 Avenue H., Shallowater, TX 79363.

- I. Call to Order**
- II. Invocation**
- III. Pledge of Allegiance**
- IV. Public Comments**
- V. Minutes**
 - M 1** Approval of the December 7, 2023, Board Meeting Minutes
- VI. General Counsel**
 - GC 1** Status Update Regarding Insurance for the Corporation
 - GC 2** Status Update Regarding STM Application
 - GC 3** Other Items
- VII. System Manager**
 - SM 1** Status Update on Grant Application
 - SM 2** Board Discussion Regarding the PUC Request for the SPWSC to assume a Temporary Manager Role
 - SM 3** Board Discussion and Authorization Process for Retaining O&M Contract for Customer Service and Billing Services
 - SM 4** Board Discussion Regarding a Request for Proposal (RFP) for Operations Contract for Customer Services and Billing
 - SM 5** Other Items
- VIII. Board Items**
 - BD 1** Other Items

The Board of Directors may enter into Executive Session, if necessary and appropriate, pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code Annotated, the Texas Open Meetings Act, on any matter that may come before the Board. No action, decision, or vote on any subject or matter may be taken unless specifically listed on the agenda for this meeting.

South Plains Water Supply Corporation
Board Agenda Item
January 18, 2024

Item

M 1 Approval of December 7, 2023 Board Meeting Minutes

The Board Clerk prepared minutes. The minutes are attached.

Board Action

Moved by:

Seconded by:

Action Taken:

Adolfo Pompa – Plott Acres: Camila Bonfield – Town North Village: James Truelock – Town North Village:
Stanley Brewer – Cox Subdivision – **President: Randy Pebsworth – Town North Village – Vice President:**
Deborah Hunt – Town North Estates - **Secretary/Treasurer - Members were present.**

Sheryl Prime – Town North Village- **Member was absent.**

I. Call to Order- President Brewer

II. Invocation- Camilla - Camila Bonfield

III. Pledge of Allegiance

IV. Public Comments - None

V. Minutes

M 1 Approval of the November 16, 2023, Board Meeting Minutes

- **The board voted to prove the minutes - Motion Carried**

VI Budget Workshop

BW 1 Staff will Present Presentation to the Board

- Robert Sheets: The rules and procedures for this workshop were used for any workshop because we didn't know whether we had two, a couple, 20, or 30 people.
- This is the same budget you saw at the prior meeting. Nothing has changed.
- The board's action is to approve the operating budget.
- The board will not be approving rates. The board will approve rates in March 2024
- This budget does the utility's cost, assuming we take ownership around April.
- The WFX pre-development loan, the dollar can't be released to the board until we get administrative approval from the Water Development Board
- The other loan they'll provide us will be to pay for the transaction cost. The Smith family assets.
- The debt service will start next year and be paid off within three years.
- The budget, though, does include the cost of operating the utility under the assumption that we take ownership around April.
- Mr. Sheets continued to present the budget to the board.
- Rogelio Rodriguez, WFX, discussed the budget in the presentation, which shows different water usage levels and the difference in the monthly bill.

BW 2 Open to the Public

- The public will have 3 minutes to speak.
- There were two victors in the audience, but neither had any comments.
- The workshop was closed by the president.

BW 3 Other Items

- None

VII. General Counsel

GC 1 Other Items

- Matt's items moved to Financial and Administration

VIII. Financial and Administration

FA 1 Board Approval of the Final 2024 Budget

- Matt McPhail, Winstead, prepared a resolution for the board to approve the final 2024 budget.
- The Board voted to approve the 2024 Budget-Seconds by Adolfo **Motion Carried**

FA 2 Board Approval of the 2023 Expenses

- This resolution and the final invoices for 2023 allow to preserve the funds when the predevelopment loan dollars are released to pay the obligation for 2023 and going into 2024.
- Matt McPhail, Winstead: the resolution is valuable to have this in the record. This will let the board know what happened.

The Board Approved the expenses for 2023- **Second by Randy Motion Carried**

FA 3 Other Items

IX. System Manager

SM 1 Status Update on Grant Application

- Carlos Rubinstein, RSAH2O, mentioned that the agencies hold monthly joint meetings. Before the Board meeting, there are a few issues that need to be addressed:
- There is confusion between both agencies regarding the current system. They need to understand how the system exists under the temporary manager and what was brought over by the Smiths family.
- The system's financial status needs to be determined so that it can be factored into the budget.
- There is a lack of data, and discrepancies have been found in the information received.

A meeting was held on Monday with the Water Development Board and relevant staff, including the head of the legislative relations group. They are responsible for understanding the agency's work and answering any questions from elected officials.

- A project completion schedule needs to be provided to the Water Development Board.
- Assistance has been offered with the temporary manager, and the agencies need to provide the necessary records. The temporary vendor has already been appointed.
- Carlos Rubinstein, RSAH2O, stated that the agencies have joint meetings monthly. Before the
- They wanted us to provide them with a schedule of when we think this will be completed.
- They did offer to provide us with some assistance with the temporary manager. What is needed as part of the process? We need those records. They appointed the temporary vendor.

SM 2 Status Update Regarding Corporation Bank Account with City Bank

- This item has been completed with the required signatures.

SM 3 Status Update Regarding Insurance for the Corporation

- Matt, there is another form the insurance company wants us to fill out. They gave Matt guidance and an estimate. I need some information from the Central States
- The insurance provider checks in with Matt every week.

SM 4 Board Consideration of Approval of Insurance Coverage for Corporation

SM 5 Other Items

X. Board Items

BD 1 Other Items

Adjourn

Date Minutes Approved

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GC 1 Status Update Regarding Insurance for the Corporation

This will be a verbal discussion.

Board Action

Moved by:

Seconded by:

Action Taken:

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GC 2 Status Update Regarding STM Application

This will be a verbal discussion.

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GC 3 Other Items

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SM 1 Status Update on Grant Application

This will be a verbal discussion.

Board Action

Moved by:

Seconded by:

Action Taken:

South Plains Water Supply Corporation

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SM 2 Board Discussion Regarding the PUC Request for the SPWSC to Assume a Temporary Manager Role

SUMMARY:

The PUC has contacted the SPWSC regarding the status of Central States Water (CSW) request to withdraw as Temporary Manager of the Smith Family System. Based on their request to withdraw, their last day as Temporary Manager is March 29th, 2024. Based on our anticipated schedule of assets sale of the Smith Family system, we could be the temporary manager for several months. As Temporary managers, we would assume all responsibility for the system's operation, customer service, and billing for this period.

We would assume the current rates are in place until the transfer of assets. By assuming this responsibility, we would be allowed to learn more about the system and its operation.

We believe another advantage would be more favorable consideration by the TWDB regarding our current grant application.

RECOMMENDATION:

We request that the Board authorize staff to move forward and work with the PUC and the TWDB to transition from SCW to the SPWSC. In addition, we ask that the Board include in this authorization to begin finding professional services for Contact O&M and Customer Service and billing. This would also include any other third-party service such as but not limited to Lab Testing, transfer of utility accounts, and any other service required. To operate and maintain the system.

All contracts would be brought before the Board for consideration and approval.

Board Action

Moved by:

Seconded by:

Action Taken:

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SM 3 Board Discussion and Authorization Process for Retaining O&M Contract for Customer Services and Billing Services

This will be a verbal discussion.

Board Action

Moved by:

Seconded by:

Action Taken:

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SM 4 Board Discussion Regarding a Request for Proposal (RFP) for Operations Contract for Customer Services and Billing

This will be a verbal discussion.

Board Action

Moved by:

Seconded by:

Action Taken:

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SM 5 Other

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BD 1 Other Items
