

Minutes of Regular Meeting
Northeast Texas Municipal Water District
Board of Directors
January 24, 2022 – 10:00 a.m.

The Board of Directors of the Northeast Texas Municipal Water District met in an open meeting on Monday, January 24, 2022 at 10:00 A.M. The meeting was held at Northeast Texas Municipal Water District's Executive Office located at 4180 Farm Road 250, Hughes Springs, Texas 75656. Notice of the meeting was legally posted. A quorum was present. An opportunity was provided for public comments before any action was taken by the Board of Directors.

Present: Robyn Shelton - Hughes Springs
Stan Wyatt - Daingerfield
Patrick Smith - Pittsburg
George Otstott - Jefferson
Jack Salmon -Avinger

Phone: Joseph W. Weir, III - Ore City

Staff: Walt Sears, Jr. - NETMWD
Dominik Sobieraj - NETMWD
Osiris Brantley - NETMWD
Aracely Reyes - NETMWD

Guest: Pete Wright - Ore City Council
Lanny Walker -Arnold, Walker, Arnold & Co.

President Robyn Shelton called the meeting to order at 10:00 a.m. Jack Salmon gave the invocation. Mr. Otstott led the directors in the pledge of allegiance to the United States flag and the Texas flag.

On a motion by George Otstott and a second by Stan Wyatt minutes of the December 27, 2021 meeting were approved. Motion carried, all voting aye.

Jack Salmon made a motion to approve the monthly investment report, to approve financial reports on all current accounts and funds, pay invoices for professional services, and accept the audit for Fiscal Year 2021. George Otstott seconded the motion. Motion carried, all voting aye.

Lanny Walker with Arnold, Walker, Arnold & Co., P.C. highlighted the 2021 Fiscal Year financial audit. Mr. Walker complimented Osiris Brantley, Walt Sears and the NETMWD staff for such a wonderful job. Mr. Walker stated this is one of the cleanest audits they have had and no adjusting entries had to be made this year. Net position went up about \$912K to an overall amount of \$21.3 million net position at the end of audit year. Mr. Walker informed the Board that NETMWD's cash position went down \$400K from prior year, and paid \$2 million in reduction of debt. Primary Water District went down by \$124K, after transferring out \$1.3 million into other funds. Regional Water Supply went up by \$146K, and Lake O' the Pines South Side went up by \$890K. It was noted that the accepted audit for Fiscal Year 2021 would be distributed and made accessible online.

On a motion by George Otstott and a second by Stan Wyatt, an advancement of \$30,000 to the retirement account with TCDRS was approved by making two payments of \$15,000 each, within a 6-month interval. Motion carried, all voting aye except Jack Salmon voting no.

Mr. Sears spoke on NETMWD's investment policy. Mr. Sears informed the Board of Directors that he would like Osiris Brantley be the Chief Investment Officer. Mr. Sears stated that in her absence he could perform the duties of Investment Officer and is authorized to sign NETMWD's investment documents. Pat Smith made a motion to approve NETMWD's Investment Policy amendment and the related resolution. George Otstott seconded the motion. Motion carried, all voting aye.

Pat Smith made a motion to approve December 2021 LOPSS financial reports as presented. George Otsstott seconded the motion. Motion carried, all voting aye.

Dominik Sobieraj gave the Operations Manager report:

- Covid-19 UPDATE
 - Mike Summers tested positive on Saturday Jan 8th. 5 days quarantine followed by 5 days wearing mask to work.
 - Michel Parvino tested positive Jan 18th with symptoms starting Jan 15th. Quarantine for 10 days, not expected to work before Jan 25th.

Raw water quality is good. Forecasting those conditions may change to good/moderate with anticipated rainfalls. Expecting temperatures to continue to drop and raw water quality staying at good to moderate quality to treat as we continue through the winter and spring.

PITTSBURG

- Installed new heaters for Pittsburg Plant – (part of 2021/22 capital improvements)
 - Waiting for lights to be installed at the plant and raw water intake structure
- Working to finalizing specs for Pittsburg Raw Water Generator
- Plant continues to produce water at higher percentage levels
 - City experienced some problems with one of well stations as well as reported on substantial water main break on 1/10/22 which was discovered after out call/information about elevated water demands.
- CL2 and caustic water transfer pumps has been replaced
- Waiting on VFD’s order to start on Raw Water Capital Improvement Project

TANNER

- On January 5th Tanner Industries replaced all “old” valves on Ammonia Bulk Tank
 - No more leaks on Bulk Tank
 - All valves are at safety standards and requirements
 - Preparing to tackle Ammonia Feed Room – capital project
- Filled basin #1 with water for the next 3 months
 - Extended detention time
 - Analyzing the structural repairs needed (3 cracks)
 - Improvement of overall treatment process
- Redundant water line for Plant/Chemical water has been completed
 - Much larger chore as anticipated due to not having any representative drawings
 - We now have all plant/chemical water metered
- Transition from Lookout HMI to Hypertech2 HMI has been completed
 - Fixing seldom “bugs” as we go
- Replaced Influent Valve on filter #5
 - Beck actuator, and shafts are mounted
 - Waiting on communication wires to be replaced / weather exposure
 - Anticipating full completion within 2 weeks
- Lost Tryon Rd and Daingerfield master meters due to weather / old age
 - Replacements have been ordered
 - Looking into possibility of rebuilding from some broken units
- Hosted plant operators “farewell” dinner for Gary Watson and Mitch West. Marcus Harris started on Jan 3rd and Aaron Jedlick will start Jan 31st.

During the General Manager’s report, Mr. Sears informed the Board about the schedule of activities, the soonest being the 97th Annual RRVA Convention to be held on February 23-24, 2022. Mr. Sears updated the Board on a possible new requirement of USACE. This new possibility consists of applying for a permit or license for any activity, and that would require an environmental study which is costly and time consuming. The practice of using general permits would be expanded to require inclusion of this additional review. Authorization to seek bid proposals for the storage ground tank project to be built in Lone Star was approved by consensus.

Board of Directors Minutes

January 24, 2022

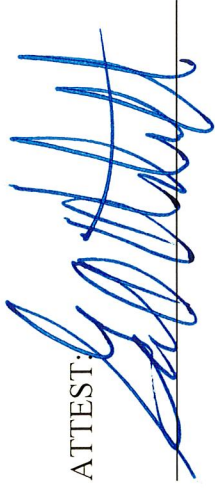
Page 3

The Board of Directors discussed and identified qualities, skills and characteristics for the next general manager. The Board of Directors requested that Mr. Sears create a draft job description, with the input of the Board, which will be reviewed in the February meeting of the Board.

On a motion by George Otstott and a second by Stan Wyatt, the next meeting of the Board of Directors was set for February 28, 2022. Motion carried, all voting aye.

Motion to adjourn was made by Stan Wyatt with a second from George Otstott. Motion carried, all voting aye.

ATTEST:

A handwritten signature in blue ink, appearing to read "G. Otstott", written over a horizontal line.

APPROVED:

A handwritten signature in blue ink, appearing to read "Robyn Shelton", written over a horizontal line.

Robyn Shelton, President