

Annual Membership Meeting Minutes
Manville Water Supply Corporation
April 25, 2023

The annual meeting of the Manville Water Supply Corporation was held on April 25, 2023, at the S.P.J.S.T. Hall in Elgin. Jack Atterstrom, President of the Board of Directors, welcomed all in attendance for the 54th annual meeting. He noted it was good to be back and see everyone in person after the recent pandemic. Pastor Charles Stark of St. Peter's Church of Coupland delivered the invocation. A chicken fried steak dinner, catered by Chris Kelm, served 273 members, guests, and staff in attendance.

Introduce current and Recognize past Board of Directors– Jack introduced the present Board of Directors and recognized former Board members who were present. He presented Director Steve Mares with a service plaque and thanked him for his years of service on the Manville Board of Directors.

Meeting Called To Order – Jack Atterstrom called the meeting to order at 7:08 PM and declared a quorum present.

Opening Remarks and Introductions - Jack introduced Tony Graf, General Manager; Rexanne Pilkenton, Assistant General Manager; Erik Prinz, Assistant General Manager; Don Allman, Auditor; Jerry Fontaine & Sean Conner, Civil Engineers; Steve Kanetzky & Kevin Pham, Electrical Engineers.

Minutes from 2022 Annual Meeting - The minutes of the 2022 Annual Meeting were distributed to the members. George Tolleson made a motion to waive the reading of the minutes and approve the minutes as submitted. Larry Hodde seconded the motion; motion carried.

Resolution of the Board of Directors Declaring Unopposed Director Candidates Elected -

Senate Bill 447 of the 83rd Legislature provides for the cancellation of the election and declaration that an unopposed candidate shall be deemed elected.

Jack Atterstrom read the Board Resolution and declared the unopposed candidates elected as follows: Zone 2, Vacant (no candidate), Zone 6, Larry Hodde and Zone 8, Vacant (no candidate).

Auditor Report– A summary audit report for the year ending December 31, 2022, was distributed to the members. Don Allman, CPA, introduced himself and thanked the Manville Board of Directors for selecting his firm to conduct the 2022 financial audit. He noted that he enjoyed coming out and working with the staff. A special thanks to Sharon Kreidel for all her efforts in assisting with the audit. Don presented the summary report that included the 2022 and 2021 financials side-by-side. He noted that total assets for 2022 are almost 128 million, up 18 million from the previous year. The current liabilities and net assets are up 20 million from the prior year and long-term liabilities are zero (0) as the Corporation has paid off all debt. Don added that the gross profit on water revenue was just over 11 million, up 2 million from 2021, and total net income was slightly under 20 million, up 9.6 million over the prior year. The net increase in cash was 1 million in 2022, with cash at the end of the year just under 3 million. He ended his report by stating he wished Manville sold stock because he would buy stock in the corporation.

Engineer's Report –

Steve Kanetzky, electrical engineer, stated that he has worked with Manville since 2005 and thanked the Board and staff for the opportunity, as it is a pleasure and honor to be part of the team. He noted that the winter storms of 2021 and 2023 have provided some unprecedented challenges, and the reliability of the water is very important. Steve added that he works closely with the Manville Staff. However, his report is being presented as an outsider looking in. He reported that the Board of Directors, General Manager, and staff are committed to providing its members with the highest reliability in their water service. Over the past 5 years, Manville has steadily improved this reliability with many facility improvements. He noted the following; an Emergency Preparedness Plan (EPP) has been implemented; all utilities have approved a “critical load status” for Manville sites; additional generators with 24-48 hour fuel supply have been installed at 13 critical pumping sites with 6 sites in design or construction phases; portable generators and portable fuel tanks have been purchased; a licensed radio frequency has been secured to improve communications for remote plant monitoring over Manville's vast CCN; installation of surge protection and grounding systems; annual site inspections for all facilities with a preventive maintenance program that includes infrared scans on electrical equipment; and improved energy conservation measures by installing variable frequency drives on pumping operations. He ended by noting that the field operators deserve a big thanks from all members for working so hard to provide the members with reliable water service.

Jack noted that in remembering the ice storm of 2021, being the worst, we had ever seen, members owe the staff and all the workers a debt of gratitude. The electricity was off in most areas for days, including our plants. The staff procured generators and took it upon themselves to deliver fuel to keep water flowing throughout our system in their personal vehicles. Though some members did lose service, our water supply fared far better than others in our area, thanks to the engineers' planning and the staff that worked around the clock.

Jerry Fontaine, civil engineer, reported that the Manville service area has had an unusual growth rate since 2020. He stated that projections at the time were based on 900 additional water customers per year, and actual commitments for new customers in 2020 were 1369; in 2021, there were 5470 new commitments, and 4799 in 2022. Due to the high demand in October 2022, applications for development and service were suspended for requests over 2 meters. Jerry noted that Manville is constructing a new water transmission line from Lee County. The necessary easement acquisitions and supply line and facilities plans are being finalized. Construction of the 36” transmission line is scheduled to begin this fall, with a completion date in mid-2025. The Board is actively working on securing additional water supply and is in negotiations with several entities, as well as applying for permits with Lost Pines Groundwater District to drill additional wells in Lee County. On a final note, Jerry added that the original Manville system completed in 1973 was so rural there were less than 10 meters per mile. In 1981, there were only 1250 customers, and today there are over 25,000, making Manville one of the largest water supply corporations in the state. He ended by saying he has really enjoyed working for Manville WSC.

Jack reiterated that the Manville service area growth in the last 3 years is at an unprecedented rate and has been 8 or 9 times more than in previous years, putting pressure on the system. He noted that the Engineers and staff stay busy designing new infrastructure to keep up with growth.

Manager's Report – Tony Graf, General Manager, thanked everyone for coming. He individually introduced the Manville staff and thanked them for their service.

Presentation of Plaques – Tony presented plaques of appreciation for employment to; Jr Prinz for 40 years of service, Leonel Ortiz for 25 years of service, Matthew Clifford, Rexanne Pilkenton, Richard Brown, Donna Hall & Calvin Blackman for 15 years of service, Laura Fenske, June Shirocky & Marcus Stifflemire for 10 years of service, and John Hardin & Leslie Johnson for 5 years of service.

Jack stated that Manville has been very lucky to have Tony Graf as General Manager for 31 years, and for those who do not know he will be retiring at the end of the year. He noted that Tony knows someone everywhere he goes. His dedication and devotion to Manville and ability to work with people are partly what makes him so valuable to the corporation. Jack presented Tony with an appreciation for service plaque for 30 years of service on behalf of the Board and staff. He thanked Tony for his service and stated that a special celebration would be held towards the end of the year to see him off properly.

Closing Remarks –

Jack stated that as presented by the auditor, Manville is in good shape financially and credits the staff for doing an excellent job. He added that the extensive growth in the Manville service area is unbelievable. A new 36' water line is being installed from our Lee County well field to bring additional water into our vast service area. Jack noted that Manville learned from the freeze of 2021 that we can't rely on the power suppliers, so Manville has purchased and installed standby generators at key facilities to ensure that the Corporation is able to provide sustainable service to our members. Jack added that the Corporation is actively engaged in numerous infrastructure projects that include additional storage tanks, pipelines, and pumping facilities. As a Board, he noted they are working to procure additional water, that Manville drilled a new well in Lee County in 2022, and, plan to drill additional wells once the permits are approved by the Lost Pines Groundwater Conservation District. Additional wells are being considered in the River Alluvium and Edwards aquifer as well. Jack added that the Board is in negotiations with multiple entities that have permitted water in Lee County and hopes to contract the purchase of water with one of them soon. He noted that the challenges ahead of us are due to an influx of new people in our service area. It is Manville's legal obligation to provide service to all customers within its CCN service area and the Board is working to ensure we meet that obligation.

Jack reminded the members that they are the owners of this company, and, at this time, there are vacancies to serve on the Board of Directors. He noted that if a member is interested in serving on the board, they are welcome to complete an application for consideration.

In closing, Jack thanked everyone for attending and said that he hoped to see them again next year.

Jack declared the meeting adjourned.