TALTY WATER SUPPLY CORPORATION

REGULAR BOARD MEETING
MONDAY, JUNE 20, 2016
7:00PM
12475 WINDY LANE
FORNEY, TEXAS

MINUTES

1. President, John Mastervich, called the meeting to order at 7:02 p.m. Board members Bill Hart and Sidney Schlebach were present. General Manager, Corey Trail; Field Supervisor, Shane Carney; Lisa Morris, Office Manager and Madonna Poppa, Account Receivable as well as James Wilson, Attorney and Tyler Hendrickson, Engineer, were present.

2. Bill Hart made a motion to approve the Minutes of the May 16, 2016 regular Board Meeting as written and presented.
   Second: John Mastervich Vote: Passed unanimously

3. No guests were present.

4. Engineer Report:
   a. Bill Hart made a motion to accept Pay Request Number Four (4) in the amount of $303,191.66 to Interstate Pipeline.
      Second: Sidney Schlebach Vote: Passed unanimously
   b. Bill Hart made a motion to accept Invoice #6494, Invoice #6495 and Invoice #6496 to Velvin & Weeks.
      Second: Sidney Schlebach Vote: Passed unanimously

5. Attorney Report: None

6. Old Business: None

7. New Business:

   a. Bill Hart made a motion to adopt Resolution No. 2016-001 approving the terms and conditions of a Special Warranty Deed conveying Talty Water Supply Corporation's ("Talty WSC") real property to the Talty Special Utility District of Kaufman County ("Talty SUD") with modifications discussed by the Board.
      Second: John Mastervich Vote: Passed unanimously

   b. John Mastervich made a motion to adopt Resolution No. 2016-002 approving the terms and conditions of a Bill of Sale conveying Talty WSC's tangible business property to Talty SUD with modifications discussed by the Board.
      Second: Sidney Schlebach Vote: Passed unanimously

c. John Mastervich made a motion to adopt Resolution No. 2016-003 approving the terms and conditions of an Assignment of Easements to convey ownership of Talty WSC's system-wide easements to Talty SUD with modifications discussed by the Board.
Second: Bill Hart Vote: Passed unanimously

d. Sidney Schlebach made a motion to adopt Resolution No. 2016-004 approving the terms and conditions of an Assignment conveying Talty WSC's intangible business property to Talty SUD with modifications discussed by the Board.
Second: John Mastervich Vote: Passed unanimously

e. Bill Hart made a motion to adopt Resolution No. 2016-005 as presented authorizing the dissolution of Talty Water Supply Corporation.
Second: Sidney Schlebach Vote: Passed unanimously

8. Director's Report:
   a. John Mastervich made a motion to accept the May, 2016 financial report as presented.
   Second: Sidney Schlebach Vote: Passed unanimously

9. Monthly Operations Report:
   a. Corey Trail presented the overall Monthly Operations Report:
      i. Usage is down tremendously because we had 5.5 inches of rain in May. If the heat continues, water usage will go up. The new developments are using water also for testing lines.
      ii. Corey has been working with James Wilson on the SUD conversion.
      iii. Corey will be looking into TML for insurance now.
      iv. Corey will begin working on copper/lead samples for Talty WSC and Markout WSC. They are due between July 1 and November.
   b. Shane Carney presented the Field Supervisor's report:
      i. Everything is running good. The Field Personnel are doing very good.
      ii. Shane will be working closely with the Field Personnel to have them retest for the Class D license.
   c. Lisa Morris presented the Office Manager's report:
      i. Everything in the office is running smoothly.

10. John Mastervich adjourned the meeting at 7:53 p.m.

President-John Mastervich

Approved as 7/18/16
July 18, 2016