

Midland County Utility District
Regular Meeting Minutes
October 19, 2023

The Board of Directors of the Midland County Utility District met in a regular meeting on October 19, 2023, at 2405 W. Missouri Avenue, Midland, Texas 79701. The meeting was held pursuant to notice given to the public in accordance with the laws of the state of Texas. The meeting was open to the public.

Item 1. Call to Order. Dr. Viney called the meeting to order and made the following statement. It is 5:33 p.m. on October 19, 2023, and I am calling to order the regular meeting of the Midland County Utility District.

Board members present were:
Dr. Shelton Viney
Joe Patten
Israel Rodriguez
Jackie Schneider
Alan Lang

Also present at the meeting via Zoom were:
John Carlton Counsel for Midland County Utility District
Shane Danley Parkhill Smith & Cooper
Kevin Krueger Parkhill Smith & Cooper
Rusty Eads Parkhill Smith & Cooper
Ryan Kennerly Parkhill Smith & Cooper

Item 2. Establish a Quorum. Dr. Viney announced that a quorum was present.

Item 3. Review Public Comments. Rick Chittum, a District resident, discussed issues he believes the District should be aware of regarding Park Water and Park Sewer, including possible indictment and environmental issues. Mr. Chittum said Michael Zipprich, who created Park Water, is a convicted SEC fraudster who was convicted in a Nevada Federal Court. Mr. Chittum stated Mr. Zipprich borrowed money for Cap Source which he diverted to a company called American Rehab. Mr. Chittum said this information will impact the District since Park Water will develop systems for the District. Mr. Carlton said there is no item posted for the Board to discuss the information and Mr. Chittum can provide information and documents to the Board that the Board can discuss at a subsequent meeting. Mr. Carlton asked Mr. Danley to obtain the information from Mr. Chittum and provide it to Mr. Carlton. Dinah Chittum mentioned chlorine issues and chemical burns that happened due to Park Water over chlorinating the water. Mr. Chittum said he confronted Mr. Bethke about the issues he has discussed and did not appreciate Mr. Bethke's response.

Item 4. Discuss and consider taking action on minutes from the August 17, 2023, regular meeting. Dr. Viney called Item 4 on the agenda. Mr. Schneider made a motion to approve the minutes of the August 17, 2023, regular meeting as presented. The motion was seconded by Mr. Patten and the motion passed 5-0.

Item 5. Receive financial report from District's Bookkeeper and consider: (a) approval of payment of bills and invoices; and (b) approval of financial report.

(a) **Approval of payment of bills and invoices:** Mr. Bain presented the financial report and expenditures. Mr. Rodriguez moved to approve payment of the bills and invoices, financial report, and quarterly investment report. Mr. Lang seconded the motion, and the motion passed 5-0.

(b) **Approval of financial report:** The Board discussed the financial report and approved it in the item above.

(c) **Review and approve quarterly investment report for 3rd quarter:** Mr. Bain discussed the investment report and said that it covers July 1, 2023 through September 30, 2023. The Board approved this in the item above.

Item 6. Receive report from the District's General Manager and consider taking action regarding proposed plan to finance District improvements and plan for implementation as well as financial matters, utility planning and service issues, water supply evaluation and management. Ryan Kennerly discussed the General Manager's report. Mr. Kennerly said that the water source has been secured and there is \$7.75 million in funding for the well field and said the interlocal for Midland County was approved. Mr. Kennerly mentioned there is \$18.75 million in funding for the treatment facility and Midland County has asked the District to bill the County for construction. Mr. Kennerly also said Parkhill is working on setting up the County as a vendor. Mr. Carlton explained that he expects that the agreement will be ready for approval at the next Board meeting. Mr. Kennerly told the Board that the funds from the County will be a grant, not a loan, which requires a minimum development of 1.5 million gallons per day. Kevin Krueger, with Parkhill Smith and Cooper, presented the current progress report and discussed the test holes and well monitoring. Mr. Kennerly discussed the construction manager at risk (CMAR) process and Mr. Carlton described the CMAR role in the project. Mr. Krueger mentioned dates within the presented report.

Item 7. Discuss and consider acquisition of property for District facilities. Dr. Viney said the County has told the District there are acres of land available for purchase for the treatment plant office facilities.

Item 8. Receive Park Water development updates. Mr. Carlton referred to the written report presented in the agenda packet.

Item 9. Receive report from District's attorney and consider taking action regarding contracts, legislative issues, regulatory issues and matters relating to future elections. Mr. Carlton discussed the work that has been done regarding the groundwater agreement.

Item 10. Adopt updated notice to purchasers (aka District Information Form) and approve recording in the official public records. Mr. Rodriguez moved to approve the District Information Form. Mr. Patten seconded the motion, and the motion passed 5-0.

Item 11. Consider engagement of an auditor to perform Fiscal Year 2023 audit. Mr. Lang moved to authorize a Request for Proposals for audit services. Mr. Schneider seconded the motion, and the motion passed 5-0.

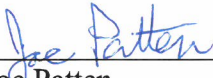
Item 12. Discuss and consider the 6th Amended Resolution Designating Meeting Places. Mr. Rodriguez moved to approve the 6th Amended Resolution Designating Meeting Places. Mr. Schneider seconded the motion, and the motion passed 5-0.

Item 13. Discuss and consider approval of the Notice of Deadline to file Application for Place on the Ballot and posting to the District website. Mr. Rodriguez moved to approve the Notice of Deadline to file Application for Place on the Ballot and posting to the District website. Mr. Lang seconded the motion, and the motion passed 5-0.

Item 14. Discuss time and date for next meeting. Next regular meeting will be held on November 16, 2023, at 5:30 p.m. at 2405 W. Missouri Avenue, Midland, Texas 79701.

Item 15. Adjourn. Dr. Viney moved to adjourn the meeting, and Mr. Lang seconded. The motion passed 5-0, and the meeting was adjourned at 6:50 pm.

Respectfully submitted,



Joe Patten
Secretary