
Double Horn Creek Water Supply Corporation

Minutes of Meeting of Board of Directors
3:00 p.m. at 300 County Road 407, Spicewood, TX
(Spicewood Utility Services Facility)
September 21, 2020

Meeting called to order at 3:09 p.m.

- ❖ Curtis Raetz, President
- ❖ Les Shroyer, Vice President (by telecon)
- ❖ Pilar Chiodo, Secretary/Treasurer
- ❖ Roger Trejo, Director
- ❖ Harry Brunner, Director
- ❖ Brent Taylor, SUS

1. Discuss and approve minutes of previous board meeting.
 - a. Motion to approve by Harry Brunner, seconded by Roger Trejo, all approved.
2. Operator's Report and Discussion/Update
 - a. Everything running as expected, no outstanding or new issues to discuss.
3. Drought Contingency Monitoring
 - a. Obtained the first 10 days of September well data. Usage dropped by almost half compared to the first 10 days of August. The rain helped considerably, but trend is definitely downward, and it appears that the well levels have stabilized somewhat, at least temporarily. This is only a small sampling and we are not ready to declare victory yet; will look at September data at next month's board meeting and will reevaluate.
 - b. Came to conclusion that changes to the current rate structure probably will not be effective in lowering water usage since large consumers are not likely to change their behavior based on price. Tariff has large number of triggers such as well levels. Suggest another trigger which is the average usage per household (in gallons) that exceeds a predetermined amount in order to activate voluntary restrictions. This will allow us to focus more on well capacity rather than individual usage. Will continue to work this issue as more well data becomes available.
 - c. Need to improve water conservation communications to existing and new members every spring in preparation for summer. Will look into using signage and social media such as Facebook and NextDoor to help communicate information to members.
 - d. Need to move away from focusing on drought conditions and move towards focusing on well capacity. Drought makes it worse, but there will always need to be water awareness and conservation in the summer.
4. Financial and Business Operations Review

- a. Signed invoices for Spicewood Utility Services and Taber & Burnett.
 - b. Review Bank Statements, Income Statement and Balance Sheet.
 - i. Income statement and balance sheet look good. Bank statements also look good; will call bank to have a service fee removed.
 - ii. Fraud protection update is complete.
 - iii. Financial review team ready to begin work. Harry Brunner has created a file for the financial review team that contains all of the financial documents the team will require for the review. Will have reviewers sign nondisclosure agreements prior to reviewing the data.
 - c. Review Director's and SUS End-of-Month (EOM) Reports
 - i. Still have some excessive water users. This was discussed in Drought Contingency section above.
 - d. Reserve and Operations Account Review and Balance - Bank balances and activity continue to look good.
5. Tasking/Planning
- a. Insurance Planning Update
 - i. Reviewed insurance coverage data that Les Shroyer provided listing the insurance quotes he received from our current carrier, AIA (Allied World), and also Galloway (Cincinnati Insurance). Both quotes were very comparable and reasonable, contained almost double the existing coverage, and both carriers have strong ratings. One notable difference is that AIA does not audit, whereas Galloway has the right to audit DHCWSC prior to renewing the policy. Agent indicated that the chances of an audit are small considering DHCWSC is such a small company. After much discussion, the decision was made to go with Galloway, which is also local. Motion to accept board's recommendation for Galloway as carrier by Pilar Chiodo, seconded by Roger Trejo, all approved. Will attempt to make this effective October 1, 2020 to allow some overlap with existing carrier.
 - b. Fire Prevention Water Tank(s) Project and Subcommittee Reports
 - i. Things have been stalled because City of Double Horn has a chart of permissible uses for a given lot, and this chart does not currently allow for a water tank. The city has agreed to set up an amendment for residential areas to have a water storage tank for fire protection permissible under conditions that the City Council approves. Meeting to approve this amendment and approve the conditional approval is October 8, 2020. We have been advised by legal counsel to not proceed with the project until this amendment is approved by the City of Double Horn.
 - c. Record Retention Policy (IRS & TCEQ)
 - i. Harry Brunner obtained list of reports that SUS retains. It appears that most of records required by TCEQ are already retained by SUS.
 - d. End of Year Activity Planning: Board of Director's Election and Annual Meeting
 - i. Board members are asked to think about items to be brought to the attention of members at the annual meeting: accomplishments, changes to tariff (specifically regarding drought contingency), conservation, etc.

- ii. Need to begin efforts on emergency planning project. This will cover events such as natural disasters, power outage, water shortage. Harry Brunner indicated that he would be willing to lead this effort once the financial review is completed.
- iii. Board of Director's election is coming up. There are two seats up for election: Pilar Chiodo and Les Shroyer. Pilar indicated she is willing to be on the board for two more years. Les indicated that this will be his last year on the board.

6. Member and Public Comments – None.

7. Other Business Properly Brought Before the Meeting – None.

8. Action Item Review and Set Next Meeting Date

- a. Les Shroyer: Propose new wording in existing tariff for new trigger(s) to activate voluntary restrictions.
- b. Les Shroyer: Switch insurance carrier from AIA to Galloway.

9. Adjourn

- a. Adjourned at 4:25 p.m. Motion to adjourn by Harry Brunner, seconded by Roger Trejo, all approved.
- b. Next meeting date scheduled for Tuesday, October 27, 3:00 p.m. at SUS facility.