
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)
November 24, 2020

Meeting called to order at 3:07 p.m.

- ❖ Curtis Raetz, President
- ❖ Les Shroyer, Vice President
- ❖ Pilar Chiodo, Secretary/Treasurer
- ❖ Harry Brunner, Director
- ❖ Roger Trejo, Director
- ❖ Ed Coleman, Member

1. Discuss and approve minutes of previous board meeting.
 - a. Motion to approve by Harry Brunner, seconded by Les Shroyer, all approved.
2. Operator's Report and Discussion/Update
 - a. Brent Taylor of SUS was not in attendance at the meeting. However, Curtis had spoken to Brent and the parts for the failed boost pump have been ordered. Once the parts are in the boost pump will be refurbished.
3. Drought Contingency Monitoring and Planning
 - a. It was decided that in addition to reporting how much water is pumped monthly, it would be valuable to report how much water is being pumped by each individual well.
 - b. Discussed the possibility of running an empirical experiment to determine how much water can be pumped from a particular well, and how quickly it recovers. Need this information so we can refine the trigger points per well that put us into a water restriction state.
4. Financial and Business Operations Review
 - a. Reviewed Financial Review Team's report that was submitted and found no issues with it, although it did generate various discussions on what else the board could do to improve financial oversight. All agreed that the Financial Review Team did an excellent job.
 - b. Discussed what a third party, such as Taber & Burnett, could bring to the equation of monitoring financials on a periodic basis if possible.
 - c. Discussed how to review and verify invoices. Most of our expenses are outsourced to SUS, and it might be good practice to randomly select invoices and verify that they are indeed accurate. Currently do not have procedures in place to do periodic spot checks.
 - d. Signed invoices for Spicewood Utility Services, Taber & Burnett, DSHS Central Lab.
 - e. Reviewed Bank Statements, Income Statement and Balance Sheet.

- i. It was pointed out that the Net Income on the October income statement report is not representative of the actual since many high-ticket items are still outstanding (pump charges, insurance payments, Forestar payment, etc.).
- f. Reviewed Director's and SUS End-of-Month (EOM) Reports
 - i. Still have one member who is continuing to use excessive water.
- g. Reserve and Operations Account Review and Balance - Bank balances and activity continue to look good. Decided to wait until the December board meeting to determine whether or not any excess dollars need to be transferred from the operating account to the reserve account.

5. Tasking/Planning

- a. Fire Prevention Water Tank(s) Project and Subcommittee Reports
 - i. Curtis visited with Mike Hunter of the Round Mountain VFD to discuss and view the water tanks that they have in their area. They currently have a series of four water supply tanks: one is fiberglass, two are steel and rubber, and a fourth one (not operational yet) is a 26k gallon tank with a synthetic liner and a steel shell. It was selected to avoid problems they have seen with the other tanks.
 - ii. One of the key elements of implementing a successful water tank is to correctly engineer the concrete pad that the tank sits on.
 - iii. Their experience with a bladder filled tank (steel outside, rubber bladder on the inside) is that it lasts roughly 15 years; after that it becomes stressed and cracks appear.
 - iv. Each one of the Round Mountain tanks has a ground level base. In other words, when the fire tinder pulls up there is minimal difference in elevation. In Round Mountain they have implemented a 250 gallon/minute transfer pump. Spicewood VFD says they have suction pumps on their trucks, but since we are trying to make this a general asset to the community, this needs more investigation. Curtis to talk to various VFDs to make sure they have equipment necessary to suction water from the tank.
 - v. For estimating costs, Mike Hunter said to estimate \$0.80-\$1.00 for every gallon the tank can hold. This cost does not include the base and transfer pump if a pump is required.
 - vi. Bids will be solicited for these tasks. A member who is a specialist in this area has offered to help with the specifications required.
- b. End of Year Activity Planning: Board of Director's Election and Annual Meeting
 - i. Board of Director's election and annual meeting.
 - 1. Les Shroyer is stepping down.
 - 2. Pilar Chiodo has offered to serve another two years.
 - ii. Curtis to create and send out annual meeting announcement and generate presentation.
 - iii. Venue for the annual meeting was discussed. Due to Covid-19 restrictions we are considering using a gym and making audio available for those members who wish to stay at home. Ed Coleman offered to set up the audio for the meeting if necessary.
 - iv. Pilar to generate 2021 Budget. All planned expenses not incurred in 2020 will be rolled over onto the 2021 budget.

- v. Proposed Amendments to Tariff and/or By-Laws – Reviewed Les Shroyer’s draft changes to the Tariff, specifically Water Conservation and Drought Contingency Plans. Suggested that the Tariff language should not use the word “drought” as the only reason for temporary water usage restrictions. While drought often causes the need for temporary water usage restrictions there can be other causes such as equipment or well failures and/or heat driven excessive lawn irrigation usage. Also suggested making stage 2 more aggressive in water reduction and adding a 6th trigger. This trigger would measure a 10-day period of water usage (total gallons per capita per day) and determine if it exceeds 175% of the average active meter usage in the prior December-January months.
- vi. Discussion on obtaining water usage over time versus the number of homes. We need more data as future capacity is our single greatest challenge and irrigation is the biggest offender.
- vii. Discussed how to simplify the voluntary water usage section of the Tariff.

6. Member and Public Comments

- a. Member stated his concerns on how much growth is coming in our direction, and that water and power will be taxed. Wants us to be prepared and stated that we currently have no type of backup for powering the water pumps should our current power system fail. Would like to determine what it would take to install and maintain a backup system and would like this brought before the members to get their opinion on it. It was agreed that this would be done at the annual meeting.
- b. Discussed various methods of getting and analyzing data in the local area to determine where to drill a new well. Roger Trejo to look into what kind of data is available that could be used to determine viable drilling locations if necessary.

7. Other Business Properly Brought Before the Meeting

- a. The Double Horn POA desires to install a Knox Box at each gate entry and wants DHCWSC to share the cost of the boxes and the installation. VFD No. 9, which services our area, has requested that all subdivisions that are gated within the Burnet County VFD No. 9 area have a Knox Box. After some discussion, the board voted unanimously to disapprove the POA’s request that DHCWSC share 50% of the cost of the Knox Box since this is a homeowner’s issue and not a water issue.

8. Action Item Review and Set Next Meeting Date

- a. Pilar Chiodo: Prepare initial budget for 2021.
- b. Les Shroyer: Incorporate the discussed changes for water restrictions.
- c. Pilar Chiodo: Scan Galloway insurance document and distribute to board members.
- d. Curtis Raetz: Put out election announcement.
- e. Curtis Raetz: Talk to POA to discuss having the meeting at the First Baptist Church gym.
- f. Curtis Raetz: Find out what some of the numbers on the drought chart generated by SUS mean.
- g. Pilar Chiodo: Contact Taber & Burnett to ask if they would be able to provide an analysis that would serve as a financial review so that we do not have to ask members to do it.
- h. Curtis Raetz/Harry Brunner: Arrange Financial Review Team comments for the annual meeting.
- i. Curtis Raetz: Sign Hold Harmless agreement for Financial Review Team.
- j. Pilar Chiodo: Prepare a check for the annual Forestar payment which is due January 1, 2021.

- k. Curtis Raetz: Prepare the first draft of the annual review presentation slides.
- l. Roger Trejo: Determine what data is available which could help us determine a spot for a fourth well.
- m. Curtis Raetz: Revisit backup plans in case water and power are disrupted.
- n. Data collection for evaluating and forecasting water usage has been deferred until after the new year.

9. Adjourn

- a. Next meeting date scheduled for Thursday, December 17, 3:00 p.m. at SUS facility.
- b. Adjourned at 5:15 p.m. Motion to adjourn by Pilar Chiodo, seconded by Roger Trejo, all approved.