

Double Horn Creek Water Supply Corporation

Minutes of Annual Membership Meeting via Teleconference
January 23, 2021

1) Call to order at 10:00 a.m.

Curtis asked all telecon attendees to send an email to DHCWSC@gmail.com with the following subject line: "I am attending the annual meeting" to serve as the official roll call for the annual meeting.

Also reminded attending members to download the annual meeting presentation and draft minutes from last year's meeting either from the DHCWSC.ORG website or the email that was sent out to all members.

Protocol for the teleconference is to present the slide, pause for member comments and questions, then proceed to the next slide.

2) Introduction of Current Board Members and Others

- a. Curtis Raetz, President
- b. Les Shroyer, Vice President
- c. Pilar Chiodo, Secretary/Treasurer
- d. Harry Brunner, Director
- e. Roger Trejo, Director
- f. Brent Taylor, President of Spicewood Utility Services (SUS)

3) Minutes for January 2020 annual meeting reviewed and approved.

- a. Motion by Harry Brunner
- b. 2nd by Alicia Luhrs

4) 2020 Annual Review

- a. Infrastructure
 - i. Discussed our network of 3 production wells with paper capacity of 235 gallons/minute. We sold 9.6 million gallons of water in 2020 and can sustain normal current demand with any two of the three wells.
 - ii. Continued to monitor well depths with the "stoplight" chart for the purpose of determining potential drought conditions.
 - iii. Replaced well #1 pump, one boost pump, and one transfer pump. Refurbished the old boost and transfer pumps to have as backups.
 - iv. Installed a new auto-dialer which alerts the membership if the pressure in the network gets below a certain threshold.
 - v. Reviewed Well Depth Monitoring chart comparing 2019 and 2020 data. Although 2020 started off well, we reached red status during the summer months. Asked members to cut back in August and received a good response. The wells still have

not completely recovered and continue to be a cause of concern for the board moving forward.

vi. Discussed System Production/Consumption chart. Gray line is the consumption pattern in thousands of gallons in 2019 compared to 2020. We sold 1.4 million gallons in July which is very concerning. Dotted line is baseline, which is the average water consumption over the months of January, February, and March. Assumption is that water consumed during those 3 months is for household needs. Water sold since 2017 increased 41%.

b. Business Operations

- i. Strengthened fraud protection due to fraudulent activity last year. Have mostly done away with check writing and we now pay suppliers with BillPay and services with ACH.
- ii. Renewed Spicewood Utility Services (SUS) contract through April 2022.
- iii. Performed an insurance evaluation for property and Directors and Officers (D&O) insurance to make sure we have adequate insurance at a competitive price. Updated the plant/infrastructure replacement costs and solicited competitive bids. Selected Cincinnati Insurance Company with local agent (Galloway).
- iv. Updated the Tariff to define conditions under which temporary water restrictions may become necessary, i.e., drought, equipment failure, low well levels and/or periods of excessive water usage.
- v. Improved the DHCWSC.ORG website by updating the web technology, security and tools. It is now simpler to update the website with new information.
- vi. Performed a business review in 2020 with four volunteer members. The team reviewed financial processes between calendar year 2017 and June of 2020. General findings were very positive. The team recommended that reviews should be conducted on an annual basis by independent financial review experts. The Board will look into this recommendation in the upcoming year.
- vii. Fire Suppression Water Storage Tank
 1. Proposed installing a fire suppression water storage tank in 2020. Two subcommittees were established: one for site selection, the other for technical specifications.
 2. Selected legal counsel and coordinated with DHIA, City of Double Horn, LCRA, property owner, and fire operations.
 3. Began generating technical specifications and will start bidding process soon.
 4. Discussed location of the water storage tank along the west side of the Vista View gate entrance. Hope to have this effort done by the start of fire season in May of 2021.

5) 2021 Plans/Focus

- a. Assure that we have adequate water for future needs and determine how to best communicate with members about serious drought conditions.
- b. Assure that our procedures and process are well documented.

- c. Perform more data gathering and testing. May have to change the well depth at which we trigger certain water restrictions stages.
 - d. Plan for water source contingencies to ensure our water supply is protected given the amount of growth in our area.
 - e. Continue with fire protection water storage tank effort.
 - f. Continue to service our long-term debt of \$208,000 at 0% interest requiring an annual payment of \$8000.
 - g. Monitor local drought monitoring organizations such as Central Texas Groundwater Conservation District. They declared a stage 3 drought condition on Dec. 18th.
 - h. Stay on budget in 2021. Have two special projects.: the fire suppression water tank and future water capacity. Want to maintain at least \$100,000 in reserve for contingencies. Currently have Reserve account balance of \$209,612.61 and an Operating account balance of \$58,471.76.
- 6) Board and Member Actions
- a. Resolution to seat unopposed candidates for the DHCWSC Board of Directors. We have two unopposed candidates for the 2-year term. Position 1 is Pilar Chiodo, and position 2 is Ed Coleman. Our next step is to accept the resolution at the next board meeting on January 25th.
 - b. Made mention that having an independent water source is a great enhancer for property value. Locally monitored and locally protected.
- 7) Questions and other business brought before the meeting.
- a. Alicia Luhrs offered gratitude to Curtis Raetz, directors, and the community for so graciously and willingly doing the work that we do and encouraged all neighbors to come together and work together for the good of this wonderful neighborhood.
 - b. Curtis gave shoutout to the four neighbors who volunteered their time on the financial review team: Basil Bigbie, Preston Rosamond, Jerry Pennington, and John Gary. They worked very hard to provide an independent review of DHCWSC's financial processes.
 - c. Robert Corwin asked for a map illustrating the well locations.
- 8) Meeting adjourned at 10:47 a.m.