
Double Horn Creek Water Supply Corporation

Minutes of Annual Membership Meeting
10:00 a.m. at Spicewood Community Center
7901 CR 404, Spicewood, TX 78669
January 15, 2022

Meeting called to order at 10:20 a.m.

1. Welcome and Introductions

a. Meeting Purpose

- i. Two primary reasons for the meeting are to validate the results of an unopposed election and to ratify the 2022 annual budget.

b. DHCWSC Director's Present

- i. Curtis Raetz, President
- ii. Pilar Chiodo, Secretary/Treasurer
- iii. Harry Brunner, Director
- iv. Roger Trejo, Director
- v. Ed Coleman (Vice President) and Brent Taylor (SUS) absent due to Covid exposure.

2. January 2021 Meeting Minutes

a. Distribution (via email attachment) and Quorum.

- i. Four directors present and members present make up the quorum; quorum present.

b. Discuss and Approve

- i. No member questions regarding the minutes. Motion to approve minutes by Harry Brunner, seconded by Roger Trejo, all approved.

3. 2021 Annual Review

a. Infrastructure. Currently have a network of three production wells, plus a fourth well that is not in production but is used a monitoring well.

b. Business Operations

i. Winter Storm Uri (February 11-20, 2021)

1. The pump controller quit working during the storm and has since been replaced.
2. The AutoDialer, which monitors the plant vitals and sends an alert message to the operators, was deemed outdated. It was upgraded with an internet enabled system which communicates via cellular network.

3. Emergency Electrical Generator
 - a. New state law requires affected utilities such as Water Supply Corporations (WSCs) to restore water pressure to above twenty pounds per square inch (PSI) within twenty-four hours.
 - b. New propane powered generator is on order and will have an automatic transfer switch which will ensure no disruption to power.
 - c. Solicited grants and aid from several state and federal agencies with no success.
 - d. Insulated all pipes less than four inches in diameter; also included a heat trace.
 4. Member Communication
 - a. Had issues with timely communications with members. Have implemented TextMagic commercial platform to send emergency text messages to members.
 - b. Acknowledged member contributions during winter storm Uri with a twenty dollar credit to all members.
 5. Member Service
 - a. Manually reset pump operations around the clock and searched for broken pipes. Also performed water meter shut-off if member requested it.
- ii. Firefighting Water Storage Tank
1. Arranged property survey, easement, and worked with the Lower Colorado River Authority (LCRA) to ensure compliance with their watershed ordinance.
 2. Applied for and received a competitive grant for twenty-five thousand dollars from LCRA since the storage tank is a public safety issue.
 3. Conducted a competitive procurement process for the water storage tank but received only one compliant bid. Contract awarded and work is now underway.
 4. The water tank will contribute to public safety and serve Double Horn and the surrounding communities for decades. Currently the nearest hydrant is approximately five miles away.
- iii. Future Water Capacity Study
1. Board determined that drought cycles, natural stresses and new industrial and residential development may impact the long-term capacity of the system to provide water to members.
 2. Board engaged a qualified team of consultants at Wet Rock Groundwater Services, LLC to analyze current water system and provide recommendation for actions that will assure long-term viability. The study was delivered to the board September 2021.
 3. Some of the recommendations included:
 - a. Utilize wells number one and two more and well number three less to balance out the usage of the wells; this has been completed.
 - b. Install water level monitoring equipment in all DHCWSC wells; this is partially done since monitoring has been established in well number four.
 - c. Develop a well maintenance and rehabilitation program; under review.

- d. Add another well within the fractured Ellenburger in the northern portion of the water system; future option since it is cost prohibitive.
 - e. Develop a recharge zone protection plan; need to coordinate with Central Texas Groundwater Conservation District (CTGCD).
 - f. Secure water resources from the City of Marble Falls; future option.
 - g. Explore the viability of the deeper aquifers (San Saba Member, Mid-Cambrian, or Hickory); future option.
4. CTGCD held a permit hearing November 19, 2021, and granted Spicewood Crushed Stone (SCS) a well permit. A pump test was done on their well as part of a hydrogeological investigation. CTGCD monitored well number four for drawdown and none was detected; this attests that SCS well operations will have negligible impact on DHCWSC wells.
 5. Well Depth Monitoring. For the last three years we have monitored our wells monthly and have developed a stop light chart. Drought conditions, irrigation, and pool fills/refills and member growth rate impact our well levels significantly. Our system is highly dependent on annual rainfall and options to increase production are expensive. Messages to conserve water during the summer months have not had any effect on excessive usage.
 6. Rate Adjustment. Our current rate structure does not currently encourage conservation, so a rate adjustment is being proposed which is incremental after twenty-thousand gallons per month. Also implementing a two thousand dollar fee for filling of swimming pools, updating our Tariff to allow this to be enforceable, and coordinating with the DHIA regarding pool permits.
 7. Questions/discussion from members regarding growth.
 - a. Have one hundred thirty-five members with one hundred twenty-two active meters. This number has been increasing ten percent per year and we need to reduce the use of water as the community grows. Discussed accessing the PayClix account as a way for members to determine how much water they are using; can also contact SUS for annual usage.
 - b. Discussion on why the fee schedule is based on twenty-thousand and not ten thousand gallons per month. Board decided to initially select twenty-thousand gallons and monitor the change in behavior throughout the year. If the data shows that the limit needs to change, it can be modified the following year.
 - c. Member asked about the board's position about expanding the Certificate of Convenience and Necessity (CCN). When the board receives a letter from the City of Double Horn, it will be discussed at the board meeting.

4. 2022 Plans

- a. Infrastructure and Business Operations

- i. Work water capacity planning and establish a better relationship with Texas Rural Water Association (TRWA) and CTGCD.
 - ii. Complete firefighting water storage tank and the emergency generator projects as well as portable generators that can be taken to the wells.
 - iii. Update the Tariff and Bylaws,
 - b. Debt Servicing. Continue paying the eight thousand annual payment to service our two hundred thousand long-term debt at zero percent interest.
 - c. Budget. Discussed forecast for 2022 budget, including member revenue, new memberships, operating expenses and well maintenance. Budget also includes consultant and legal costs. Currently have two pending legal issues: 1) One property owner has challenged DHCWSC's right to the easements on well number four. The board will hire counsel to develop a chain of title and right of way that are legally defensible so that we may continue to have right to access, operate, and maintain the well. 2) One member wants access to the water capacity study report and will not agree to sign a non disclosure agreement (NDA) or receive a redacted report. Since the report has very sensitive data and, if released to the public, could be used in a way that would not be beneficial to our community, the board does not want it released. Member asked why this information would not be released to the members so they can be informed rather than remain ignorant. The board feels that if the report is released it becomes publicly released. Board is asking members to trust that this is sensitive information and that once it is released, we have no control over its distribution. Therefore, the board has petitioned the state attorney general (AG) to rule that this information is sensitive and that it does not have to be released. Members in attendance collectively agreed with the board's stance on this topic.
 - i. Roger Trejo made motion to approve 2022 budget, seconded by Harry Brunner, all approved.
5. Board and Member Actions: Resolution to seat unopposed candidates for DHCWSC Board of Directors.
6. Adjourn
 - a. Motion to adjourn by Roger Trejo, seconded by Harry Brunner, all approved. Adjourned at 11:42 a.m.