
Double Horn Creek Water Supply Corporation

Minutes of Annual Membership Meeting
9:00 a.m. at Spicewood Community Center
7901 CR 404, Spicewood, TX 78669
January 14, 2023

Meeting called to order at 9:01 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 approve the 2023 annual budget.
 - b. DHCWSC Directors Present
 - i. Curtis Raetz, President
 - ii. Ed Coleman, Vice President
 - iii. Pilar Chiodo, Secretary/Treasurer
 - iv. Harry Brunner, Director
 - v. Roger Trejo, Director
 - vi. Brent Taylor, SUS Representative
2. January 2022 Meeting Minutes
 - a. Distribution (via email attachment) and Quorum.
 - i. Five 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 Ed Coleman, seconded by Harry Brunner, all approved.
3. 2022 Annual Review
 - a. Infrastructure
 - i. Currently have a network of three production wells and a monitoring well. Pumped 10.1 million gallons in 2022. Discussed the well water depth monitoring “stoplight” chart.
 - ii. Firefighting Water Storage Tank. Completed in 2022 with a final cost of \$157.15K (\$25K grant from LCRA). Tank has a 43K gallon capacity and was first used October 12, 2022.
 - iii. Emergency Electrical Generator(s). Due to Winter Storm Uri and S.B. 3, we installed a 50KW (propane fuel) generator and automatic transfer switch at the water treatment plant. Two portable (propane fuel) generators available at the well locations. Total cost was \$61.715K.

- iv. Announcement Boards at Mailboxes. Replaced three aging announcement boards at the mailboxes. Fourth announcement board installation at Vista View gate scheduled for January 21, 2023.
- v. Advanced Metering Infrastructure (AMI). Due to the 2022 drought and water use restrictions experience, we are installing new smart water meters. These meters will improve water conservation and enable much quicker leak detection. Ten meters were installed in a pilot effort the month of October. Currently working through telemetry connection issues at some locations with the Verizon cellular network.

b. Business Operations

- i. Rate Adjustment. In March 2022 a new rate structure was implemented which increased the rates for usage greater than 20K gallons/month. This rate adjustment was implemented to encourage water conservation practices for potable water.
- ii. Legal Actions. Dealt with two legal actions: 1) Property owner refused to accept DHCWSC's legal easement to well number four on their property. After attempts to resolve the issue failed, a lawsuit was filed for court action for declaratory judgement. The final out of court settlement resulted in the property owners signing a document that established DHCWSC's exclusive rights to operate and maintain well number four and access the surrounding area for water utility purposes. The legal cost was \$23K. 2) Member submitted a Texas Public Information Act (TPIA) open records request for consultant report which contained sensitive information about water system infrastructure and surrounding hydrogeology. After member rejected a redacted copy, DHCWSC petitioned the Texas Attorney General (AG) to withhold portions of the report which contained sensitive information. The AG ruled that some of the information in the report should be withheld from public disclosure, citing specific pages and paragraphs. A redacted version of the report was delivered to the member in March 2022. The legal cost was \$5K.
- iii. Water Depth Monitoring. Discussed the "stoplight" chart for 2022 as well as well number four readings and explained to the members what triggered drought stages II, III, and IV. We currently remain in Stage IV mandatory water use restrictions which prohibit outside water use.

4. 2023 Plans/Focus

a. Business/Operations Practices

- i. Conservation and Leak Detection. Continue member communication regarding conservation and implement smart meters for all members. Planning for composite meter box lids to replace any existing metal lids. Also plan to install approximately twenty to thirty meters per month through 2023 as budget/resources permit.
- ii. Increase Water Resources and Diversify. Determine feasibility for deep aquifer well. Will need to work with engineers, obtain permitting, and look into financing/grants as the cost could exceed \$500K.
- iii. Maintain Water Plant Debt Servicing. Making annual \$8,000 payments. Remaining loan balance is \$192,000 at 0% interest.

iv. Update Bylaws/Tariff. Need to make updates for new 2023 rates, changes in communication/notification requirements, and impact of smart meters. Will update drought conditions/water use restrictions, e.g. use the Central Texas Groundwater Conservation District drought declarations as part of the decision process.

5. Members Approve/Reject Annual Budget

a. Reviewed 2023 proposed budget. Proposed a 10% rate increase in 2023 due to increases in contract costs (SUS), electricity, insurance, and accounting services. New memberships will increase from \$4,500 to \$5,000 to cover smart meter and installation.

b. Questions from members/attendees:

i. Attendee asked if the well at the end of Creekside Trl. is part of the water company. Brent Taylor stated that the well in question is not and was never owned by the water company.

ii. Attendee wanted to let members know that the water issue is the most critical issue for the future and needs close attention.

iii. Attendee asked Brent Taylor how much a deep well to the Hickory at approximately 1500 feet would cost. Brent indicated that a well that deep next to well number three would cost about \$1.5M.

iv. Attendee informed members that when someone sues the water company or the homeowners association, it affects all members financially. Attendee encouraged all members to resolve issues without legal action.

v. Member asked if the water company is required to provide water to the new platted lot that is currently for sale in front of the the Professional Civil Process building. Curtis Raetz replied yes since the land is part of the Certificate of Convenience and Necessity (CCN). When the plat was resurveyed, DHCWSC provided a statement of utility availability which was reviewed by our lawyers. Any business there will be billed with the existing commercial water rates in place and the business will have to become a DHCWSC member and abide by the bylaws and tariff.

vi. Harry Brunner made a motion approve the 2023 budget and all the projects discussed, Roger Trejo seconded. All members in attendance approved the motion, Ed Coleman opposed the motion. The motion passed and the budget was approved.

6. Board and Member Actions

a. Resolution to seat unopposed candidates for DHCWSC Board of Directors was reviewed. Resolution will be accepted at the next board of directors meeting on January 26, 2023.

6. Adjourn

a. Motion to adjourn by Alicia Luhrs, seconded by Mike Reed, all approved. Adjourned at 9:54 a.m.