

Double Horn Creek Water Supply Corporation

Minutes of Board of Directors Meeting

103 Vista View Trail, Spicewood, TX

January 11, 2017

1. Meeting called to order at 19:01

Quorum announced: Glen Zoerner, Neil Stegall, Basil Bigbie and Bernd Luhrs in attendance.

Neil Stegall took on the Secretary-Treasurer duties as of this meeting due to the resignation of Terry Kennedy.

2. Meeting notice posted at three Double Horn Creek community bulletin boards and with the county. Notice was also provided by email. No objections to notice.

President Glen Zoerner reported that the Texas Attorney General's office that posting of meeting notice on community boards is sufficient and posting with the county is "extra". Email notice cannot be used as the primary formal notice but may be used additionally.

3. Minutes approved for previous board meeting on motion by Basil Bigbie, second Neil Stegall.

On advice of the Texas AG office, the remainder of past 2016 minutes must be approved at a subsequent formal board meeting as email approval does not meet legal requirements.

4. Member and public comments.

Present: Lewis Feder, Rodney Stanfield, Tom King, Harry Brunner, members; Mark Tays, employee of Spicewood Utilities.

Mr. Feder and Mr. Stanfield voiced concern about a rumored extension of DHWSC services to an adjacent proposed development. Discussion held among all present. Consensus of members present was that no services should be offered to any persons, developments or businesses not in the current service area.

The members commented freely throughout the meeting on issues regarding plant and well status and the business affairs of DHWSC.

5. Financial status

- a. Year-end financial statements are not available due to a software incompatibility between DHWSC Quikbooks and that of Nelson Business Services. These should be available for the next monthly meeting.

6. Payment authorized to Spicewood Utility Services for December 2016 services.

7. Operator's report:

- a. Water use survey to be completed by January 31, 2017, for the Texas Water Development Board.
- b. Progress on water tank replacement: To be completed March 2017.
- c. Progress on Well #1 reactivation: Both Glen Zoerner and Brent Taylor of Spicewood Utility Services offer the view that Southwest Engineers is not offering a clear engineering solution or plan that will conform to known TCEQ requirements. TCEQ is not offering any consistent guidance going forward. Follow up with both parties is required. Zoerner and Taylor will coordinate the effort to meet with both parties at a joint meeting.

Members offered general questions about bringing the well online to bolster water resources. Zoerner and Taylor offered the history of the well status and how TCEQ has not offered consistent guidance and a path forward for technical and regulatory compliance necessary to bring the well online.

- d. Usage and well depths for December not available.

8. Discussion

a. Per Glen Zoerner's phone contact with the Texas AG office, Open Meetings Act compliance requires formal meeting notice as in Agenda Item 2. Furthermore, it was confirmed that reduction of the board from 5 to 3 members would profoundly impair the conduct of business by the board as only two board members would constitute a quorum, disallowing any conversations or consultation.

b. An agent for the Parkers, owners of the property to the east of Double Horn Creek, approached Brent Taylor of Spicewood Utilities with a request for water supply. As no formal service request has been made to the board, and as the provision of such service would challenge both the supply of water and the operation of the water system, there was a board consensus to not provide water services to any parties outside the current service area.

c. Zoerner moved to up date bank signature cards to include himself, Stegall and Luhrs, with two signatures required for any payment from DHWSC accounts. Moved by Luhrs, seconded by Stegall, unanimous approval.

d. Bigbie offered newly written membership transfer procedures and forms for use by DHWSC. The changes will be reviewed and revised by the board for future consideration.

Members present made inquiries as to the continuing difficulties tracking membership transfers on undeveloped parcels. The several suggestions made by members, such as making membership transfers a part of local title

company processes, they were informed, have been tried with inconsistent results. Mr. Feder stated that he believes a fee or penalty of some kind should be levied on the parties to a sale if they fail to effect a transfer.

Zoerner offered that he has a proposal in development for later discussion by the board that would incentivize the completion of the transfer process.

e. An unauthorized tap was locked at a new home construction site.

f. Discussion on the proposal to take total board membership from 5 to 3 as there are no volunteers to join the three members who will remain after January 2017. Another appeal for volunteer board members will be made at the annual meeting.

Otherwise, board consensus was to leave the number of board as it is at present.

Members present were perplexed by the lack of interest and the extent to which the board is a working board, dealing with regulatory, operational, business and membership concerns. Mr. Feder in particular offered the view that finances should be reviewed, and revenues increased, to pay for a general manager. The pros, cons and current impediments to such plan were discussed.

Sale of the company, its virtues and liabilities for the community, was mentioned.

Members informed that the loss of two board members, the Secretary-Treasurer, and assistant Secretary Treasurer over month has made the practical challenges for the board difficult.

g. Discussion of logistical preparation for annual meeting to be held at 09:30, January 21, 2017, at the Spicewood Baptist Church.

9. No other business brought before the board.

→ 10. Next meeting set for February 15, 2017, at 45:00-1700

11. Motion for adjournment made by Bigbie, seconded by Luhrs. Approved.

Meeting adjourned at 21:25.


Glen Zoerner
President


NEIL STEGALL
SECRETARY/TREASURER