

Double Horn Creek Water Supply Corporation

103 Vista View Trail, Spicewood, TX 78669
Minutes of Board of Directors Meeting

October 18, 2017

1. Call to order 7:03 pm. Glen Zoerner, Curtis Raetz, Jim Millard, Neil Stegall, Bernd Luhrs
2. Summary of meeting notice
 - a. Distribution of new Rate Structure
 - b. Distribution of draft minutes of September 27 meeting
3. Discuss and approve minutes of previous board meeting. Raetz moved to approve, Luhrs seconded. All approved.
4. Members present and public comments.
 - a. Lewis Feder present. Observed that three DHCWSC board members were present at the last HOA meeting where governance and management issues for each organization were discussed. Feder noted that was quorum. Zoerner noted that there were no complaints.
5. Financial review
 - a. Checks signed for services provided by Spicewood Utility, AIA for insurance, Southwest Engineers.
 - b. Review of bank statement, income statement and balance sheet.
 - i. Millard had general question of what the criteria are for moving money from the operating fund to the reserve. Zoerner stated that moving money to the reserve fund was made with a target of \$10,000 in the operating account, but also considering upcoming payments.
6. Operator's report
 - a. Well #1 project
 - i. Discussion call September 29, 2017 between Zoerner and Southwest Engineers as regards communications issues with Mr. Pi of TCEQ. The documentation needs of the project have been clarified.
 - ii. Current status: Installation and operational plans are still going forward.
 - b. Status of transfer of CCCP to Spicewood Utilities. Pending. Current good faith attestation of CCCP status by members to remain in place.
 - c. Service to Lot 13 Section 2 discussed as two consecutive sales have been made without membership transfer paperwork completed or fees paid. Lafayette Coleman of SUS will handle contact with the current owner.
7. Discussion
 - a. Adoption of new Rate Structure discussed. This new Structure was communicated to members by email since last board meeting. Received positive comment from one member; otherwise no comments from members about the subject.
 - b. Unanimous approval of updated DHCWSC membership packet on motion of Raetz, second of Millard.
 - c. SUS and DHCWSC Board database reconciliation completed.

- d. Updated Tariff discussed and to be completed and voted on before annual meeting.
 - i. To include ban on filling new pools using DHWSC water as that puts excess demands on plant operations.
 - ii. Enforcement of Tariff through termination of service discussed. Feder noted that 10 days notice is required. Consensus that termination of service to a Member is required for nonpayment or violation of other Tariff requirements per both the existing and revised Tariffs.
 - iii. Tariff to include statement that the Board can make ad hoc decisions to manage water resources in situations of drought or operational failure in addition to the Stages of water use restriction under the Water Conservation and Drought Contingency section of the Tariff.
 - e. Discussion of possibility of Double Horn HOA and DHCWSC merger.
 - i. History of both organizations discussed in terms of legal structure, inherent legal difficulties of a merger.
 - ii. Continuing lack of interest of community members to serve on either Board discussed. Agreed that no answer to this critical problem is obvious. DHCWSC Board to continue to let members know of the need for Board candidates through formal and informal communication channels.
 - f. Consensus of the Board to approach Forestar or its successor to renegotiate mortgage, to include proposal simply to forgive the debt.
8. Preparation for 2018 Annual Meeting
- a. Board of Director candidates and election. Four seats will be open. Zoerner will not stand for election. Stegall has not yet decided to seek re-election. Raetz and Millard plan to be candidates at present. Luhrs will continue his service. Discussion returned to Agenda Item 7.e. Millard reviewed previously discussed issues including the hiring of a general manager.
 - b. Presentation material for Annual Meeting to be completed by November 17.
9. Other business properly brought before the meeting.
- a. Consensus to contact Brent Taylor of SUS for recommendation or referral to any individual or company that could professionally manage DHCWSC operations on behalf of the Board.
 - b. Zoerner will contact new pool owner about need to fill pool using alternate water sources, such as water truck services, rather than using DHCWSC water.
10. Next meeting set for Wednesday, November 15, 2017 at 7:00 pm at the Professional Services building.
11. Adjournment at 8:46 pm on motion by Stegall, second by Raetz, approved unanimously.



Neil Stegall
Secretary/Treasurer



Glen Zoerner
President