



Double Horn Creek Water Supply Corporation

Annual Membership Meeting

January 19, 2019

Agenda



- Welcome and Introductions
 - Meeting purpose
 - DHCWSC Directors present
- January 2018 meeting minutes
 - Distribution (via email attachment)
 - Discuss and approve
- 2018 Annual Review
- 2019 Plans
- Board and Member Actions
 - DHCWSC bylaw change
 - Resolution to seat unopposed candidates for DHCWSC Board of Directors



2018 Review: Infrastructure

- Well #1 reactivated in May 2018
 - 54 gallons/minute capacity (normal rainfall pattern)
 - Pumped 1.84 million gallons in 2018
 - DHCWSC now has a network of 3 wells, can sustain normal demand with any two
 - Future capacity assurance
- Installed Variable Frequency Drives (VFDs) on boost pumps
 - VFDs adjust flow or pressure to the actual demand
 - Electrical energy and mechanical wear cost savings

2018 Review: Infrastructure (cont.)

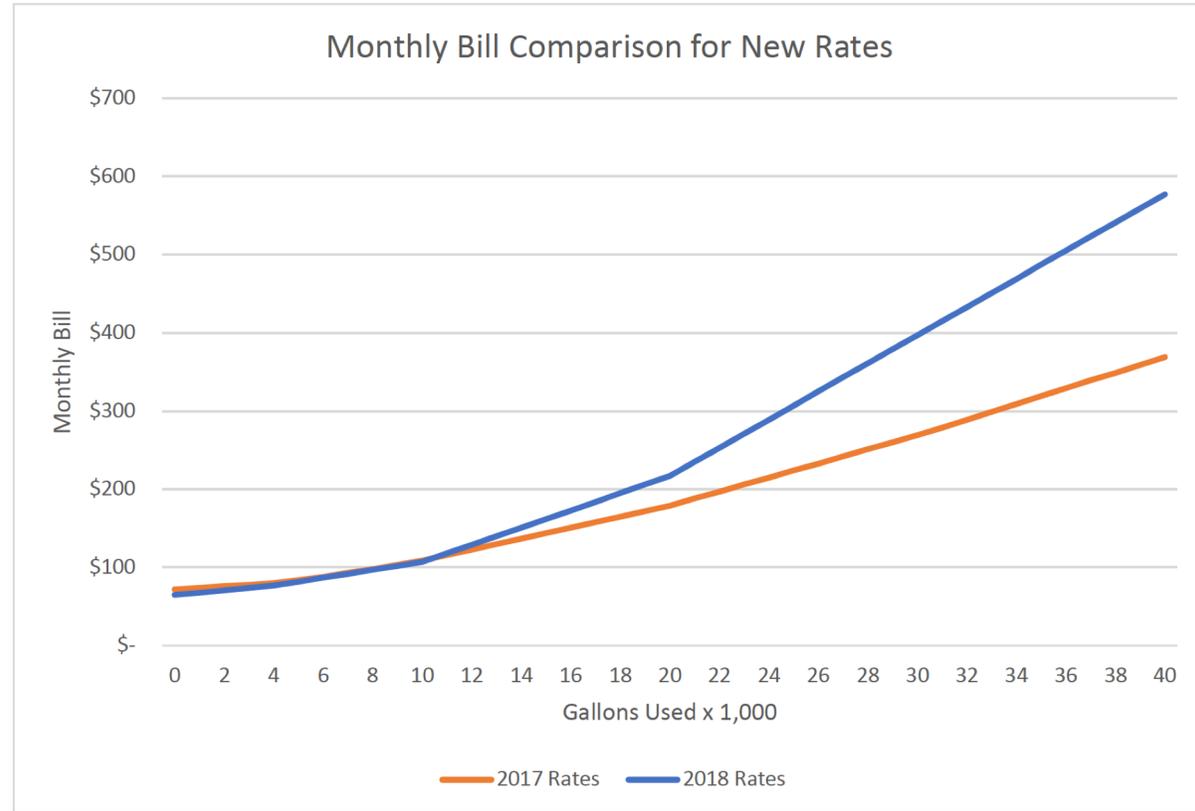


- Spare boost pump purchase
 - Minimizes the risk of loss of service in the event that 1 of the 2 installed pumps fails
- Miscellaneous equipment improvements
 - Purification and filtration
 - Pump operations

2018 Review: Business Operations



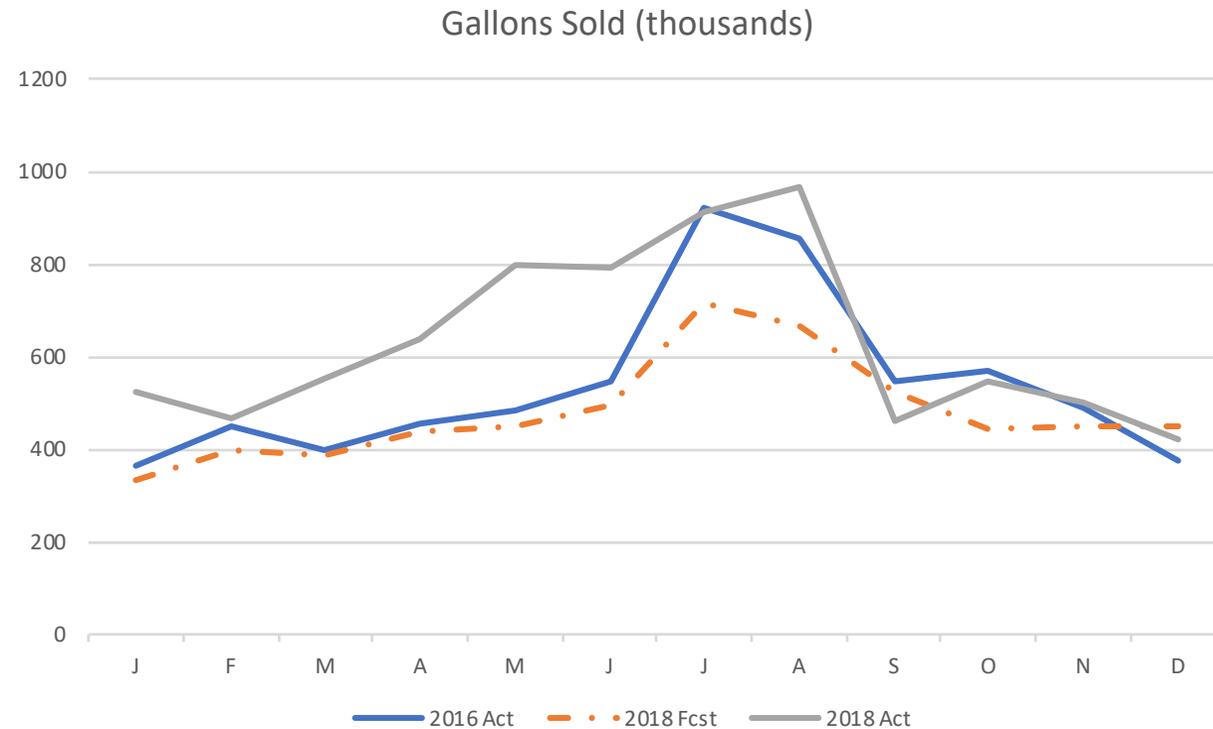
- Implemented new water service rates. Intent:
 - Maintain nearly constant revenue
 - Encourage some, but not all, members to modify usage behavior toward more conservative water consumption.



2018 Review: Business Operations (cont.)



Water rate increase analysis & impact



Metric	2016 Act	2018 Fcst	2018 Act
Water Sold (K Gal)	6,451	5,741	7,575
Active Meters (Jan/Dec)	71/79	91/99	89/98

Initial observations

1. Revenue increasing due to more water sold
2. Rate increase has not impacted consumption

2018 Review: Business Operations (cont.)



- Engaged Taber & Burnett, P.C.
 - CPA services specializing in non-profit organizations
 - Bookkeeping services
- Published and distributed a conservation brochure
 - DHCWSC continuing focus
- Strengthened drought contingency monitoring
 - Monthly well depth reporting

Well Depth Reporting and Drought Monitoring



Well Depth Below Top of Casing (BTOC, measured in feet)				
	Well #1 (600')	Well #2 (100')	Well #3 (123')	Remarks/Comments
Stage II Drought Threshold	30	30	55	
Stage III Drought Threshold	60	60	70	
January (Baseline)	27	18	40	Actual reading was 2/23/18
July (7/24/18)	36.5	16.5	62.5	
August (8/21/18)	29.2	15.8	63.3	
August (8/27/18)	33.8	16.8	64.4	Readings taken at 0900, none of the wells were running. Well #1: 41 gallons of polyphosphate remaining.
September (9/4/18)	36.2	17.3	64.8	Readings taken at 1000, none of the wells were running. Well #1: 40 gallons of polyphosphate remaining.
September (9/11/18)	24.6	12.2	63.3	Readings taken at 1030, none of the wells were running. Well #1: 39.5 gallons of polyphosphate remaining. Steady rain for 11 days prior.
October (10/1/18)	24.2	11.7	57.0	Heavy/record area rains in September and October.
November (11/7/18)	23.0	9.0	37.7	Heavy/record area rains in September and October.
December (12/12/18)	22.2	8.3	26.3	Well #1: 32 gallons of polyphosphate remaining.
Stoplight Codes:				
	Above Stage II	Above Stage III	Below Stage III	

2018 Financial Review

2019 Budget



	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2019 Budget</u>
Monthly Charges	\$ 116,000	\$ 117,732.53	\$ 125,000
New Memberships	18,000	4,500	9,000
Other	1,000	1,376	2,000
Total Income	\$ 135,000	\$ 123,609	\$ 136,000
Operating Expenses			
Operating Expense Contract	57,000	56,386	68,000
Operating Expense Admin	20,000	8,370	13,000
Operating Expense Repair & maintenance	21,000	145	10,000
Total Operating Expenses	\$ 98,000	\$ 64,901	\$ 91,000
Other Expenses			
Admin Expense	1,500	3,165	3,500
Professional Services	1,500	3,261	3,500
Insurance	3,000	3,357	4,000
Total Expense	\$ 104,000	\$ 74,684	\$ 102,000
Special Projects	81,000	86,228	35,000
Total Expenses & Projects	\$ 185,000	\$ 160,912	\$ 137,000
Net Cash Generated	\$ (50,000)	\$ (37,303)	\$ (1,000)
<u>Cash Account Balances</u>	<u>December 31, 2017</u>	<u>December 31, 2018</u>	
Reserve Account	\$ 200,545.00	\$ 158,057.35	
Operating Account	\$ 27,483.51	\$ 32,668.05	
Total	\$ 228,028.51	\$ 190,725.40	



2019 Plans/Focus

- Special project (1 of 2)
 - Future capacity assurance
 - Retire a portion of \$224,000 debt
- Improved business and operational practices
 - Procedures/processes
 - Data assurance
 - Operations continuity
- Conservation communication and actions

Bylaw Change - Officers/Directors



- Article 10 – Officers
- Present wording “It is the intent of the Corporation to maintain an arms-length relationship with the Double Horn Improvement Association. To that end, Officers of the Corporation shall not concurrently hold Officer positions in the Double Horn Improvement Association. Directors of the Corporation may also be concurrent Directors of the Double Horn Improvement Association.”
- Board recommendation Change present wording to read:
“It is the intent of the Corporation to maintain an arms-length relationship with the Double Horn Improvement Association. **To that end, the President of the Corporation shall not concurrently hold an Officer position in the Double Horn Improvement Association. Other Officers** and Directors may also be concurrent Directors or Officers of the Double Horn Improvement Association.”



Board of Directors Resolution

- Bylaws state: “The Board by resolution may declare a candidate elected to a director's position if the Board certifies in writing that the candidate is unopposed for the position. A copy of the resolution shall be posted at the Corporation's main or registered office. ”
- 3 unopposed candidates (biographies distributed via email)
 - Pilar Chiodo
 - Dave Johnson
 - Les Shroyer
- Next steps: Accept the resolution at next board of directors meeting on January 23, 2019

Board of Directors Resolution (cont.)



Double Horn Creek Water Supply Corporation Resolution

A resolution of the Board of Directors of the Double Horn Creek Water Supply Corporation electing unopposed candidates.

WHEREAS, the appointments of Directors Pilar Chiodo, Les Shroyer, and Dave Johnson expire in January 2019;

WHEREAS, Pilar Chiodo, Les Shroyer, and Dave Johnson, all members of the Corporation meeting the qualifications to server as Directors, have stated in writing their willingness to serve as Directors;

WHEREAS, no other candidates have stated in writing a willingness to serve as Directors;

WHEREAS, the Corporation's bylaws Article 8, paragraph 5, subparagraph B specifies a procedure to elect unopposed Director candidates;

NOW THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF DOUBLE HORN CREEK WATER SUPPLY CORPORATION:

1. Cancels the 2019 election by ballot of Directors
2. Declares Pilar Chiodo, Les Shroyer, and Dave Johnson elected Directors of the Corporation serving two (2) year terms ending in 2021.
3. That this resolution shall take effect immediately upon passage.

DULY PASSED BY THE BOARD OF DIRECTORS OF DOUBLE HORN CREEK WATER SUPPLY CORPORATION THIS 23rd DAY OF JANUARY, 2019.

Curtis Raetz, DHCWSC President

Pilar Chiodo, DHCWSC Secretary/Treasurer