



Double Horn Creek Water Supply Corporation

Annual Membership Meeting

January 18, 2020



Agenda

- Welcome and Introductions
 - Meeting purpose
 - DHCWSC Directors present
- January 2019 meeting minutes
 - Distribution (via email attachment)
 - Discuss and approve
- 2019 Annual Review
 - Infrastructure
 - Business Operations
- 2020 Plans
 - Business/operations practices
 - Debt servicing
 - Special project: Fire Protection Water Storage Tank(s)
- Board and Member Actions
 - Resolution to seat unopposed candidates for DHCWSC Board of Directors



2019 Review: Infrastructure

- Network of 3 production wells
 - Collective “paper” capacity of 235 gallons/minute (*normal rainfall pattern*)
 - Sold 8.13 million gallons in 2019
 - Can sustain normal current demand with any two wells
 - Future capacity assurance
 - Well depth monitoring (“stoplight” chart)
- Various improvements
 - Disaster recovery planning process
 - TCEQ approval to use blended polyphosphate chemical feed system for Well #1
 - Substantial cost savings for filter expense

Well Depth Reporting and Drought Monitoring



Well Depth Below Top of Casing (BTOC, measured in feet)

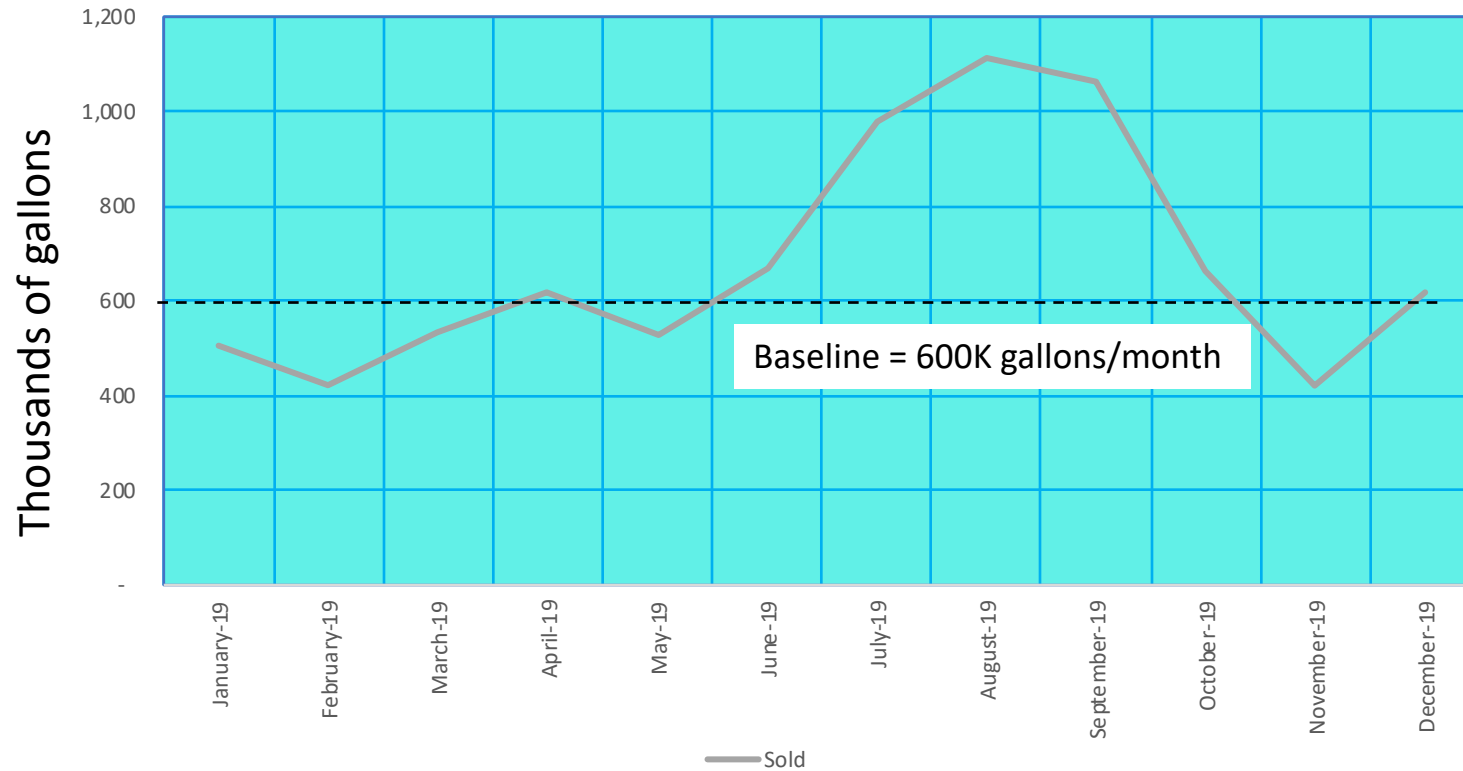
	Well #1 (600')	Well #2 (100')	Well #3 (123')	
Stage II Drought Threshold	30	30	55	Monthly Rainfall
Stage III Drought Threshold	60	60	70	
January (1/22/19)	20.5	8.7	22.0	2.23
February (2/3/19)	23.4	9.8	25.4	0.40
March (3/2/2019)	24.0	11.5	25.0	0.91
April (4/3/2019)	24.5	12.7	35.3	5.30
May (4/30/2019)	24.1	12.0	38.5	3.32
June (6/3/2019)	24.6	12.3	39.4	4.50
July (7/1/2019)	25.4	13.3	45.2	1.46
August (8/1/2019)	27.0	13.8	59.6	0.16
September (9/4/19)	26.5	18.5	66.2	0.53
October (10/7/19)	27.0	21.5	67.2	1.99
November (11/4/19)	26.8	17.7	59.0	1.49
December (12/13/19)	27.0'	17.6'	45.0'	0.33
			Annual Total	22.62

Stoplight Codes:			
	Above Stage II	Above Stage III	Below Stage III

System Production/Consumption



2019 Water Sold



Water Sold

2017: 6.8 million gallons

2018: 7.6 million gallons

2019: 8.1 million gallons

- 2017-2019 19% increase
 - New construction
 - Annual/seasonal fluctuation

What does the data tell us?



Consumption Review/Conclusions

- Baseline consumption
 - 5,000-9,000 gallons per month for a household
- Excess consumption
 - Irrigation is the single largest reason
 - System demands during the most vulnerable part of the annual cycle (summer/early fall)
- Rates
 - Designed to encourage consumption at less than 10,000 gallons per month
 - 7,000 gallons cost \$92/month 30,000 gallons cost \$397/month

Conservation message

Water consumption greater than 10,000 gallons per month is excessive.

Strong encouragement to reconsider your consumption pattern!



Consultant Report/Conclusions

- Engaged Donald G. Rauschuber & Associates, Inc
 - Prepare an evaluation of existing water supplies and identify potential water supplies that may be developed in the future.
 - Final Report posted on DHCWSC.org web site.
- Conclusions
 - Current network of 3 wells draws high quality water from the Ellenberger-San Saba reservoir.
 - Sufficient for projected buildout of 190-200 households (current consumption patterns).

Consultant Report/Conclusions (cont.)



- Risks

- Rapid water table declines in extended drought conditions
- “Dewatering/depletion as a function of area and regional water use by users who obtain their water supplies from the Ellenburger – San Saba Aquifer and/or from other groundwater aquifers/formations that receive water leakage/contributions from the Ellenburger (i.e surrounding development).”

- Opportunities

- Source water from the Trinity reservoir
 - Deeper wells, poorer water quality
- Partner with adjacent water providers
 - Substantial infrastructure development



2019 Review: Business Operations

- Strengthened relationship with Taber & Burnett, P.C.
 - CPA services specializing in non-profit organizations
 - Bookkeeping services
- Renewed Spicewood Utility Services (SUS) contract
 - Water infrastructure and utility operations
 - Enhanced administrative support
- Implemented conflict of interest policy



2020 Plans/Focus

- Improved business and operational practices
 - Procedures/processes
 - Data assurance
 - Operations continuity
- Maintain debt servicing
 - \$8,000 annual payments
 - \$216,000 long-term debt remaining (0% interest)
- Special Project: Install fire protection water storage tank(s)



2020 Plans: Fire Protection Water Storage Tank(s) Project

- Background/Justification

- Current Double Horn production water system has a maximum capacity of 235 GPM at 60 PSI. While this is suitable for residential use, it is not sufficient for firefighting. Installing fire hydrants is not practical or fiscally feasible for this community.
- National Fire Protection Association (NFPA) fire hydrant standards
 - Blue: 1500 GPM or more; very good flow
 - Green: 1000–1499 GPM; good for residential areas
 - Orange: 500–999 GPM; marginally adequate
 - Red: below 500 GPM; inadequate
- Nearest fire hydrant is located at Spicewood Elementary school



2020 Plans: Fire Protection Water Storage Tank(s) Project

- Spicewood Volunteer Fire Department response
 - Structure fire Initial best case response with 1 firefighting engine and 1 tender will arrive on scene with 2,000 gallons
 - Need 150-400 GPM depending on attack operations (attack crews, water cannon...)
 - Establish a portable reservoir and replenish using tenders which ferry water from water source (typically a hydrant)
 - Brush fire (common threat) 3-5 off-road brush trucks with 250-300 gallon tanks (replenish every 20-30 minutes)

Bottom line: More water will be required in 15 minutes or less in most structure fire scenarios, 20-30 minutes for brush fires.

Variables: Mutual aid, weather, crew response....



2020 Plans: Fire Protection Water Storage Tank(s) Project

- Mutual aid
 - Marble Falls Area Volunteer Fire Department + others in local area
 - STAR Flight (Austin/Travis County)
 - Pedernales Fire Department (Travis County ESD 8)

Critical resource: *WATER – Get lots on scene fast!*



2020 Plans: Fire Protection Water Storage Tank(s) Project

- Project structure
 - Cost/funding
 - Technical requirements and specifications
 - Schedule
- Cost/Funding
 - Primary source: DHCWSC reserve funds (maintain reserve at \$100,000)
 - Solicit partners
 - Burnet County Emergency Services District #9
 - Nearby commercial businesses (e.g. quarries, storage, Civil Process....)
 - Burnet County Commissioners Court (possible public safety contribution)
 - Central Texas Groundwater Conservation District
 - Texas Forest Service and/or federal grants
 - Likely multi-year effort, project commits to one year, at least one tank

} Project management



2020 Plans: Fire Protection Water Storage Tank(s) Project

- Technical Specifications
 - Compatibility with local fire apparatus (connectors, suction pumps....)
 - Tank capacity 30-60 thousand gallons depending on site/location



*Typical
appearance*

- Replenish with flush or production water



2020 Plans: Fire Protection Water Storage Tank(s) Project

- Technical Specifications (continued)
 - Siting/location
 - Coordinate with City of Double Horn
 - Coordinate with DHIA for CC&R compliance
 - Member coordination for placement
 - Firefighting apparatus access
 - Capacity
 - Objective: Water tank system with total of 120,000 gallons
 - 1,000 GPM for 2 hours

2019 Financial Review 2020 Budget



2019 Financial Review/2020 Budget

	2019 Budget	2019 Actual	2020 Budget
Monthly Charges	\$125,000	\$126,473	\$130,000
New Memberships	\$ 9,000	\$ 4,500	\$ 9,000
Other	\$ 2,000	\$ 12,065	\$ 8,000
Total Income	\$ 136,000	\$ 143,039	\$ 147,000
Operating Expenses			
Operating Expense Contract	\$ 78,000	\$ 78,101	\$ 90,000
Operating Expense Admin	\$ 13,000	\$ 7,180	\$ 15,000
Total Operating Expenses	\$ 91,000	\$ 85,281	\$ 105,000
Other Expenses			
Admin Expense	\$ 3,500	\$ 713	\$ 2,600
Professional Services	\$ 3,500	\$ 2,471	\$ 2,400
Insurance	\$ 4,000	\$ 3,458	\$ 4,000
Total Expense	\$ 102,000	\$ 91,924	\$ 114,000
Special Projects	\$ 35,000	\$ 17,971	\$ 85,000
Total Expenses & Projects	\$ 137,000	\$ 109,895	\$ 199,000
Net Cash Generated	\$ (1,000)	\$ 33,897	\$ (52,000)
<u>Cash Account Balances</u>	<u>December 31, 2018</u>	<u>December 31, 2019</u>	
Reserve Account	\$ 158,057.35	\$ 158,810.74	
Operating Account	\$ 32,668.05	\$ 53,480.73	
Total	\$ 190,725.40	\$ 212,291.47	



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 for January 2020 election, 2 year term
 - Position 1: Curtis Raetz
 - Position 2: Harry Brunner
 - Position 3: Roger Trejo
- Next steps: Accept the resolution at next board of directors meeting on January 28, 2020

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 terms of Directors Curtis Raetz and James Millard expire in January 2020;

WHEREAS, Director Dave Johnson has resigned his position as of November 2019;

WHEREAS, Curtis Raetz, Harry Brunner, and Roger Trejo, all members of the Corporation meeting the qualifications to serve 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 2020 election by ballot of Directors
2. Declares Curtis Raetz, Harry Brunner, and Roger Trejo elected Directors of the Corporation serving two (2) year terms ending in January 2022.
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 28th DAY OF JANUARY, 2020.

Curtis Raetz, DHCWSC President

Pilar Chiodo, DHCWSC Secretary/Treasurer