



# Double Horn Creek Water Supply Corporation

## Annual Membership Meeting

January 23, 2021



# Agenda

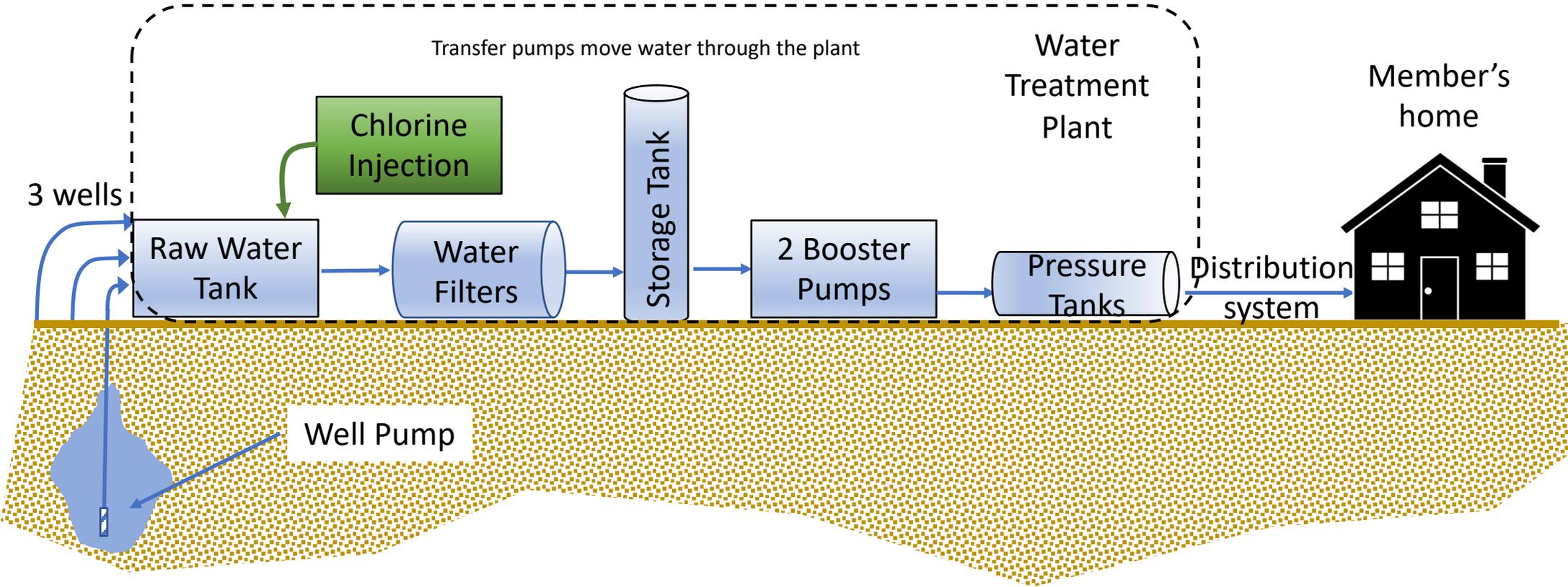
- Welcome and Introductions
  - Meeting purpose
  - DHCWSC Directors present
- January 2020 meeting minutes
  - Distribution (via email attachment) and quorum
  - Discuss and approve
- 2020 Annual Review
  - Infrastructure
  - Business Operations
- 2021 Plans
  - Business/operations practices
  - Debt servicing
  - Special project: Fire Protection Water Storage Tank
- Board and Member Actions
  - Resolution to seat unopposed candidates for DHCWSC Board of Directors

# 2020 Review: Infrastructure



- Network of 3 production wells
  - Collective “paper” capacity of 235 gallons/minute (*normal rainfall pattern*)
  - Sold 9.6 million gallons in 2020
  - Can sustain normal (baseline) demand with any two wells
    - Well #1 was out of service for ~4 weeks for pump replacement
  - Well depth monitoring (“stoplight” chart)
- Various improvements & maintenance
  - Backup boost and transfer pumps available (refurbished)
  - Replaced auto-dialer
  - Well #1 pump replaced

# DHCWSC System Overview



# Well Depth Monitoring

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



<b>2020 Data</b>	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 (1/6/2020)	28.9'	19.5'	49.7'	2.32
February (2/4/2020)	26.7'	16.4'	34.5'	3.40
March (3/9/2020)	25.8'	14.4'	33.6'	2.94
April (4/9/2020)	25.1'	12.2'	30.0'	3.35
May (5/5/2020)	25.9'	15.8'	49.2'	3.50
June (5/9/2020)	26.7'	19.9'	60.3'	0.47
July (7/1/2020)	32.3'	30.7'	63.0'	0.13
August (8/11/2020)	42.4'	60.0'	77.0'	1.14
September (9/10/2020)	29.7'	54.8'	79.3'	5.15
October (10/12/2020)	34.5'	36.5'	77'	0.21
November (11/9/2020)	36.0'	48.4'	77'	0.84
December (12/10/2020)	35.7'	38.1'	74.8'	1.59
			Annual Total	25.04

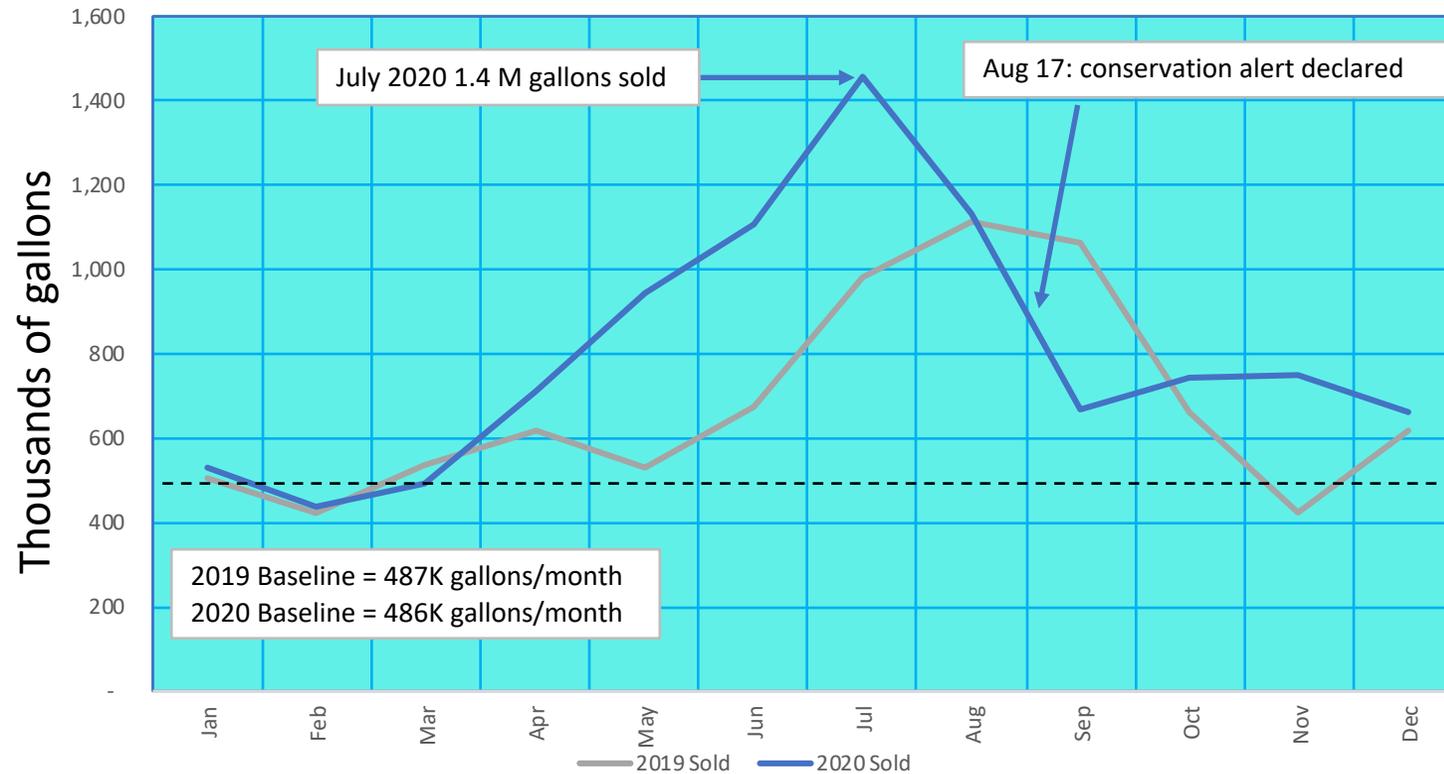
<b>2019 Data</b>	Well #1 (600')	Well #2 (100')	Well #3 (123')	
Stage II Drought Threshold	30	30	55	Monthly Rainfall
Stage III Drought Threshold	60	60	70	
January (1/22/19)	20.5'	8.7'	22.0'	2.23
February (2/3/19)	23.4'	9.8'	25.4'	0.40
March (3/2/2019)	24.0'	11.5'	25.0'	0.91
April (4/3/2019)	24.5'	12.7'	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:	<span style="background-color: green; width: 20px; height: 10px; display: inline-block;"></span>	<span style="background-color: yellow; width: 20px; height: 10px; display: inline-block;"></span>	<span style="background-color: red; width: 20px; height: 10px; display: inline-block;"></span>
	Above Stage II	Above Stage III	Below Stage III



# System Production/Consumption

2019 & 2020 Water Sold



## Water Sold

2017: 6.8 million gallons  
2018: 7.6 million gallons  
2019: 8.1 million gallons  
2020: 9.6 million gallons

2017-2020 41% increase

- New construction: 86 active meters Jan 2017, 114 Jan 2021
- Annual/seasonal fluctuation

***What does the data tell us?***



# Consumption Review/Conclusions

- Baseline consumption
  - Defined as the average consumption from Jan to March (486K gal/month in 2020)
  - 6,000-10,000 gallons per month for a household
  - In Feb 2020 85% of active meters used less than 10,000 gallons, all used less than 20,000 gallons
  - **Adequate capacity** for household needs (kitchen, bath, toilet....)
- Excess consumption
  - Irrigation is the single largest reason
  - System demands during the most vulnerable part of the annual cycle (summer/early fall)
- Rates are designed to encourage consumption at less than 10,000 gallons per month
  - 8,000 gallons cost \$97/month, 30,000 gallons cost \$397/month, 40,000 gallons cost \$577/month

## **Conservation message**

Water consumption of 10,000 gallons per month should meet the needs of most households. Usage over 10,000 gallons per month is generally unnecessary and usage over 20,000 gallons per month places excessive demands upon our resident owned water system.

# 2020 Review: Business Operations



- Strengthened fraud protection
  - Supplier invoices paid with BillPay, services with ACH. Very few checks issued.
- Renewed Spicewood Utility Services (SUS) contract until April 2022
- Insurance evaluation (Property and D&O)
  - Updated plant/infrastructure replacement costs
  - Solicited competitive bids, selected Cincinnati Insurance Company with local agent (Galloway).
  - Superior ratings: S&P =A+, AM Best = A+, Moddy = A1
- Tariff updates to define conditions under which temporary water restrictions may become necessary (i.e., drought, equipment failure, low well levels and/or periods of excessive water usage).

# 2020 Review: Business Operations



- Improved DHCWSC.ORG web site
  - Updated web technology, security and tools

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# 2020 Review: Business Operations



- Appointed four Members as an independent committee to review the DHCWSC financial processes (period of CY 2017 – June 2020)
  - **General findings:**
    - “DHCWSC has good financial processes in place”
    - Financial documents are reviewed in a timely and thorough manner
    - There is prudent separation of financial responsibilities
    - Quick Books general ledger accounts appear to be accurate
    - The process for debit card purchases is transparent
    - No finding that material modifications need to be made to the financial statements
  - **Risks and Recommendations:**
    - Reviews should be conducted on an annual basis
    - Independent financial review expertise

# 2020 Review: Fire Suppression Water Storage Tank



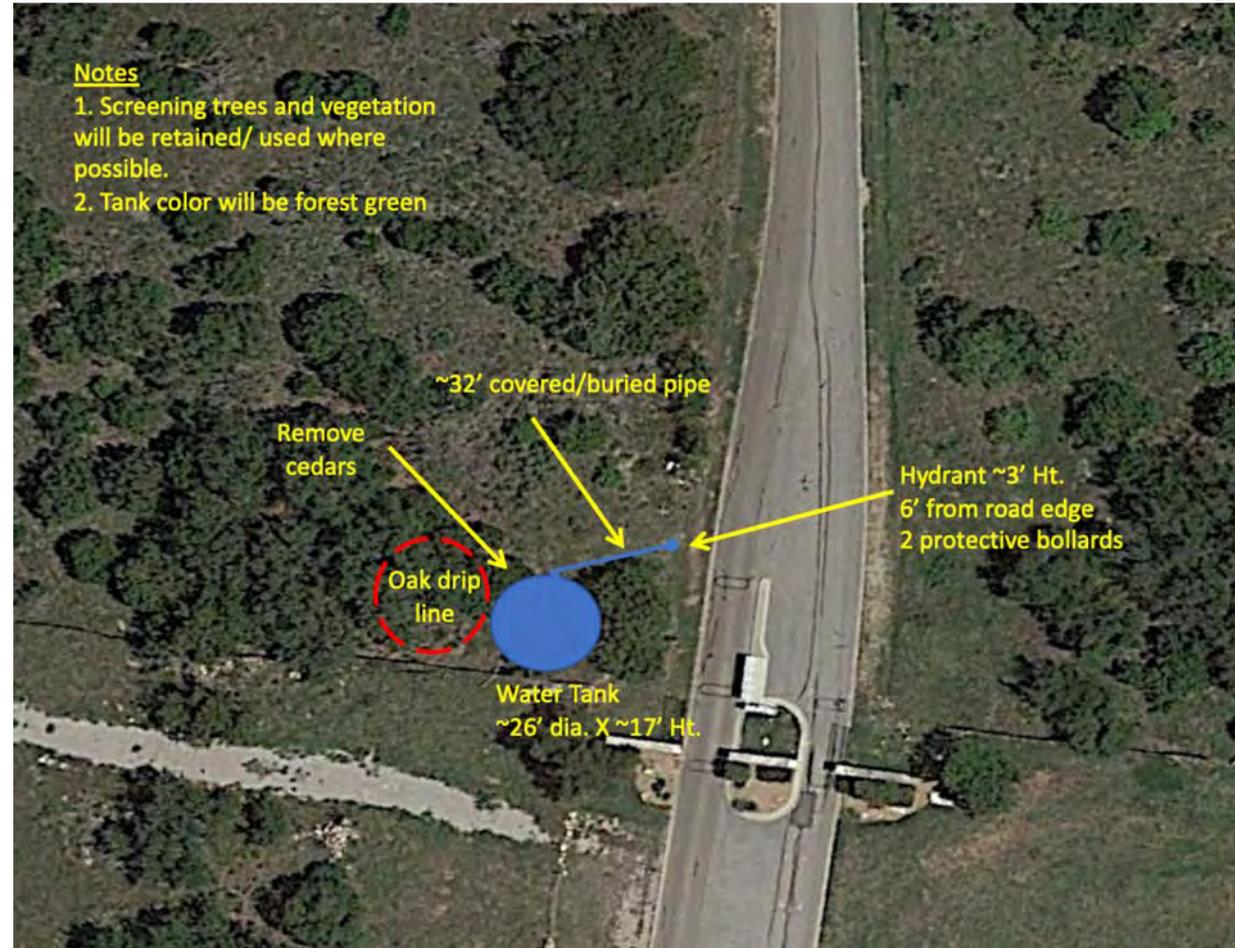
- Established 2 subcommittees:
  - 1) Site selection
  - 2) Technical specifications
- Site selection
  - Selected legal counsel
  - Coordination with Double Horn Improvement Association, City of Double Horn, Lower Colorado River Authority, property owner, fire operations
- Technical specification preparation underway
  - Approximately 36,000 gallons capacity
  - Bidding process

# 2020 Review: Fire Suppression Water Storage Tank



## Location/Site

- West side of Vista View gate entrance



# 2020 Review: Fire Suppression Water Storage Tank



Current Appearance



Proposed Appearance

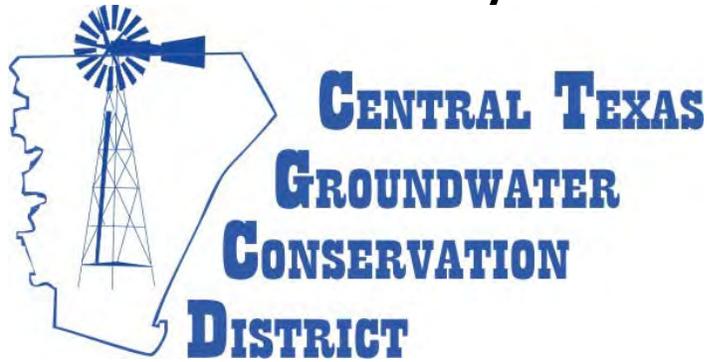




# 2021 Plans/Focus

- Water capacity planning and implementation practices
  - ***Member communication***
    - Procedures/processes
    - Data gathering/testing
    - Other contingency planning
- Fire protection water storage tank
- Maintain debt servicing
  - \$8,000 annual payments
  - \$208,000 long-term debt remaining (0% interest)

# 2021 Plans/Focus



The Central Texas Groundwater Conservation District is asking Burnet County residents who have wells to voluntarily reduce their water usage by 20 percent due to drought conditions.

On Dec. 18, the board of directors determined the district to be in Stage 3, or severe drought.

The district has four drought stages:

- Stage 1 — near normal
- Stage 2 — moderate
- Stage 3 — severe
- Stage 4 — critical



Photo of the Double Horn Creek duck pond near the pavilion, week of Dec. 7

# 2020 Financial Review & 2021 Budget



	2020 Budget	2020 Actual	2021 Budget
<b>Income</b>			
Monthly Charges	\$130,000	\$144,730	\$150,000
New Memberships	\$ 9,000	\$ 36,000	\$ 22,500
Other	\$ 8,000	\$ 7,163	\$ 7,000
<b>Total Income</b>	<b>\$ 147,000</b>	<b>\$ 187,893</b>	<b>\$ 179,500</b>
<b>Operating Expenses</b>			
Operating Costs - Contract	\$ 90,000	\$ 94,999	\$ 95,000
Operating Costs - Administrative	\$ 15,000	\$ 6,399	\$ 6,000
Operating Costs - Maintenance	\$ 0	\$ 15,500	\$ 15,000
<b>Total Operating Expenses</b>	<b>\$ 105,000</b>	<b>\$ 116,899</b>	<b>\$ 116,000</b>
<b>Other Expenses</b>			
Administrative Costs	\$ 2,600	\$ 837	\$ 1,000
Accounting Services	\$ 2,400	\$ 2,349	\$ 4,000
Insurance	\$ 4,000	\$ 4,486	\$ 5,000
Mortgage	\$ 8,000	\$ 8,000	\$ 8,000
<b>Total Other Expenses</b>	<b>\$ 17,000</b>	<b>\$ 15,672</b>	<b>\$ 18,000</b>
<b>Special Projects Expenses</b>			
Fire Suppression Water Tanks	\$ 85,000	\$ 1,250	\$ 83,750
Future Water Capacity	\$ 0	\$ 0	\$ 20,000
<b>Total Special Projects Expenses</b>	<b>\$ 85,000</b>	<b>\$ 1,250</b>	<b>\$ 103,750</b>
<b>Total Expenses &amp; Projects</b>	<b>\$ 207,000</b>	<b>\$ 133,821</b>	<b>\$ 237,750</b>
<b>Net Cash Generated</b>	<b>\$ (60,000)</b>	<b>\$ 54,072</b>	<b>\$ (58,250)</b>
<b>Cash Account Balances</b>			
	12/31/2019	12/31/2020	
Reserve Account	\$ 158,810.74	\$ 209,612.61	
Operating Account	\$ 53,480.73	\$ 58,471.76	
<b>Total</b>	<b>\$ 212,291.47</b>	<b>\$ 268,084.37</b>	



# 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. ”
- 2 unopposed candidates for January 2021 election, 2 year term
  - Position 1: Pilar Chiodo
  - Position 2: Edward Coleman
- Next steps: Accept the resolution at next board of directors meeting on January 25, 2021

# 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 Pilar Chido and Les Shroyer expire in January 2021;

WHEREAS, Pilar Chido and Edward Coleman, 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 2021 election by ballot of Directors
2. Declares Pilar Chido and Edward Coleman elected Directors of the Corporation serving two (2) year terms ending in January 2023.
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 25th DAY OF JANUARY, 2021.

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Curtis Raetz, DHCWSC President

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Pilar Chido, DHCWSC Secretary/Treasurer