

Double Horn Creek Water Supply Corporation

Minutes of Meeting of Board of Directors
2:00 p.m. at 103 Vista View Trail, Suite 100, Double Horn, TX
December 18, 2024

Meeting called to order at 2:01 p.m.

- ❖ Curtis Raetz, President
- ❖ Harry Brunner, Vice President
- ❖ Pilar Chiodo, Secretary/Treasurer
- ❖ Roger Trejo, Director
- ❖ Sig Sereno, Director
- ❖ Eddie Marshall, Member
- ❖ Ron Link, Member
- ❖ Wayne Rathe, Member
- ❖ Laura Rathe, Member
- ❖ Ed Coleman, Member
- ❖ Cindy Polluconi, Member
- ❖ Utskot Svein, Member
- ❖ Cathy Sereno, Member

1. Summary of meeting notice published. Confirmed a quorum is present.
2. Distribution, Discussion, and Approval/Modification of the November 18, 2024 meeting draft minutes. Curtis Raetz found a typo on paragraph 4b. Motion to approve the corrected minutes by Sig Sereno, seconded by Roger Trejo, all approved.
3. Member and Public Comments:
 - a. Ed Coleman requested that an agenda item be added to the annual meeting to discuss the management of the water in our community by the city. Curtis Raetz and Sig Sereno took the action to determine if the city is willing to entertain such a proposal. If the city is open to the idea, the item will be added to the annual meeting agenda.
 - b. Ed Coleman brought up the timing of the board meeting based on feedback at the annual chili cook-off. He wants to have meetings at 4:00 rather than 2:00. Curtis Raetz stated that based on the length of the recent board meetings and wanting to have an SUS representative at the meetings, the preferred time is 2:00.

4. Operator's Report and Discussion/Update.
 - a. The smart meter inventory is low and more two more meters need to be ordered to have a ready inventory on the shelf.
 - b. Curtis Jeffrey believes he can provide a cover for the generator at well number one for less than the original eighteen hundred dollar quote he gave at the November meeting if he incorporates it into an existing structure. He will provide a new quote at a later time.
 - c. The wells and the plant are all functioning well.
5. Confirm Next Meeting Date/Time. Next meeting date scheduled for Wednesday, January 22, 2024, 2:00 p.m. at 103 Vista View Trail, Suite 100, Double Horn, Texas.
6. Drought and Water Restriction Monitoring, Planning, and Member Communications/ Actions.
 - a. Planning for Supplemental Water Hauling. In order to prevent dry wells during this drought, the board is proceeding with a plan to haul in water. Sig Sereno obtained quotes from various Texas Commission on Environment Quality (TCEQ) certified water haulers and DHCWSC has notified the TCEQ that we intend to commence hauling water and have also been registered on their Drinking Water Watch list.
 - b. There will be two parts to the monthly bill. The first part will be the traditional "well water" which covers the cost to extract the well water, filter it, disinfect it, pressurize it, and deliver it to a member's faucet. These costs do not include the cost of water because the we do not pay for our raw well water, we only incur costs to process and deliver it. The second part will be the cost of the hauled water, i.e. supplemental water. A discussion was held on how to bill for the bulk water. Members voiced their desire to have high water users pay a higher price for any excessive water they use. Right now the plan is to bill all members based on the percentage of water they use. Additionally, the discussion of regular water rate increases was discussed. Curtis Raetz took an action to look at the bulk water spreadsheet to determine if we can skew bulk water rates so lower usage users pay less; but at the end of the day, we have to cover our bulk water costs.
 - c. Curtis Raetz talked with Enriqueta "Keta" Caballero, an Outreach Specialist with the Texas Water Development Board (TWDB). Key takeaways were as follows:
 - i. The project information form (PIF) solicitation period runs from Dec. 17 to March 7, 2025.
 - ii. Keta recommended talking to the Water Finance Exchange (WFX), which is a 501(c)(3) non-profit platform created by an experienced team of water and finance professional to develop and fund community-based water projects.

- iii. Curtis then talked to Lia Clark at WFX. Lia suggested that we take advantage of their pro bono technical and water and operations assistance. We could arrange a site visit in early January. Lia suggested that this could be a “triage” assessment. Curtis recommends that we initially work with both the WFX and the TRWA to get an assessment of what our long-term options may be.
- iv. The suggested near term planning timeline for December, January, and early February was reviewed and discussed. Board agreed it was a good plan and we should begin executing to it. Harry Brunner made a motion to authorize Curtis Raetz and Pilar Chiodo to jointly authorize up to five thousand dollars of DHCWSC money for further engagement with TRWA and WFX for water condition assessments, seconded by Roger Trejo, all approved.

7. Financial and Business Operations Discussion, Update, and Action

- a. Wrote checks for Forestar (annual mortgage payment), TCEQ (annual fee), Spicewood Utility Services (SUS) and Oliver, Rainey, and Wojtek (ORW).
- b. Reviewed Bank Statements, Income Statement and Balance Sheet. Balances as expected, no action required.
- c. Reviewed Director’s and SUS End-of-Month (EOM) Reports. There were two accounts over the threshold this month which used over twenty thousand gallons each. A discussion on the amount of water used for flushing the lines was discussed. Curtis Raetz took action to ask Curtis Jeffrey if we can do anything with the water used to flush the lines.

8. Discussion, Update, and Action as Needed

- a. Requests for Water Bill Adjustment. No requests for water bill adjustments.
- b. Texas Rural Water Association (TRWA) Membership. Curtis Raetz made a motion to authorize five hundred dollars for a TRWA 2025 membership, seconded by Sig Sereno, all approved.
- c. Joint City of Double Horn, Double Horn Improvement Association, and DHCWC Water Conservation Partnership. The city approved a line item in the budget for ten thousand dollars towards a conservation rebate program. This program will be communicated to the members at the annual meeting. The hope is that this program will get the word out regarding various types of conservation such as plants, foliage, rain water harvesting, drip irrigation, etc.
- d. 2025 Planning:
 - i. Special Projects. The main focus is future water security and how to effectively plan for it. Do we need another well, and if so, where do we drill for it. The chances of getting the quality and quantity of water we need from the Hickory

seem very risky. Curtis has contacted Spicewood Crushed Stone and asked for access to their drillers and geological logs.

- ii. Director Roles and Election. No one has applied for the board of director position that will be open when Harry Brunner leaves at the end of his term. The board agreed to extend the application deadline.
- iii. Budget/Revenue. Discussed the 2024 and 2025 budgets that will be reviewed at the annual meeting.
- iv. Annual Meeting. This is scheduled for Saturday, January 25, 2025.
- v. Other Topics As Needed. Member asked if we had a short and long term plan. The water assessment from consultants will let us know what type of plan we need and for how long.
- e. Future Water Security Project Update. The statement of work (SOW) that has been generated will be expanded to include a water operations specialist.
- f. Rate Analysis and Tariff and Policies Update. The TRWA provides assistance with tariff and policies updates and we hope to leverage their assistance in this effort.

9. Current Activity and Priority Planning.

- a. Priority is to continue to work the water hauling effort, future water security, and prepare for the annual meeting.

10. Other Business Properly Brought Before the Meeting: None.

11. Review Past and Current Action Items

- a. Curtis Raetz, Pilar Chiodo, and Harry Brunner to work water hauling communications to members.
- b. Curtis Jeffrey to get quotes on transducers and make a recommendation to the board.
- c. Curtis Jeffrey to get water flowing at West Trail entrance meter for DHIA use. This action has been put on temporary hold.
- d. Curtis Jeffrey to continue to monitor the Turner controller and check its warranty status.
- e. Curtis Jeffrey to prepare the plant connections to receive hauled water.
- f. Curtis and Pilar to continue work on 2025 budget, water rates, and service availability charge.
- g. Pilar to work with SUS to audit membership database to ensure that the most current contact information for all members is in place to prepare for converting IRIS to TextMagic.

- h. Curtis Raetz and Sig Sereno to talk with the City of Double Horn to determine if they are interested in taking on water management. If they are it will be added to the agenda for the annual meeting.
- i. Curtis Raetz to order two spare smart meters.
- j. Curtis Raetz to look at water rates for lower users for bulk water hauling while covering our monthly costs.
- k. Curtis Raetz to talk to Curtis Jeffrey about recovering any water that we flush through the lines.
- l. Sig Sereno to coordinate with Curtis Jeffrey and a water hauling company to test out the mechanics of the water hauling effort.

12. Adjourned at 4:04 p.m. Motion to adjourn by Pilar Chiodo, seconded by Harry Brunner, all approved.

12:01 PM

01/07/25

Accrual Basis

Double Horn Creek Water Supply Corporation
Balance Sheet
 As of December 31, 2024

	Dec 31, 24
ASSETS	
Current Assets	
Checking/Savings	
1101 · Checking -DHCWSC Operating	109,500.68
1102 · Savings - DHCWSC Reserve	102,914.44
Total Checking/Savings	212,415.12
Accounts Receivable	
1200 · Receivables	
1202 · Monthly Charge - Res. Comm. SC	10,679.70
Total 1200 · Receivables	10,679.70
Total Accounts Receivable	10,679.70
Other Current Assets	
1900 · Inventories	
1920 · Consumables (Chlorine, etc.)	1.00
Total 1900 · Inventories	1.00
Total Other Current Assets	1.00
Total Current Assets	223,095.82
Fixed Assets	
1400 · Property and Equipment	
1410 · Real Property (Land-Easements)	6,192.00
1420 · Water System	
1520 · Accum. Depreciation	-79,049.01
1420 · Water System - Other	463,683.07
Total 1420 · Water System	384,634.06
1421 · Pressure Tank	
1521 · Accum. Depreciation	-14,062.89
1421 · Pressure Tank - Other	41,791.00
Total 1421 · Pressure Tank	27,728.11
1422 · Media Filter Cover	
1522 · Accum. Depreciation	-5,984.10
1422 · Media Filter Cover - Other	6,972.00
Total 1422 · Media Filter Cover	987.90
1423 · Pressure Tank - Repairs	
1523 · Accumulated Depreciation	-13,600.67
1423 · Pressure Tank - Repairs - Other	17,740.00
Total 1423 · Pressure Tank - Repairs	4,139.33
1424 · Gas Chlorination System	
1524 · Accumulated Depreciation	-6,770.00
1424 · Gas Chlorination System - Other	6,770.00
Total 1424 · Gas Chlorination System	0.00
1425 · Water Plant Control System	
1525 · Accumulated Depreciation	-8,803.13
1425 · Water Plant Control System - Other	17,803.89
Total 1425 · Water Plant Control System	9,000.76
Total 1400 · Property and Equipment	432,682.16

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Accrual Basis

Double Horn Creek Water Supply Corporation
Balance Sheet
As of December 31, 2024

	<u>Dec 31, 24</u>
1427 · Clearwell Replacement 2017	
1527 · Accum Depreciation	-14,893.33
1427 · Clearwell Replacement 2017 - Other	55,850.00
Total 1427 · Clearwell Replacement 2017	40,956.67
1428 · Harmsco Project	
1528 · Accum. Depreciation - Harmsco	-40,573.33
1428 · Harmsco Project - Other	71,600.00
Total 1428 · Harmsco Project	31,026.67
Total Fixed Assets	504,665.50
Other Assets	
1850 · Membership in P.E.C.	50.00
Total Other Assets	50.00
TOTAL ASSETS	<u>727,811.32</u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
2900 · Long-Term Debt	
2910 · Secured Loan - DHCWSC	176,000.00
Total 2900 · Long-Term Debt	176,000.00
Total Long Term Liabilities	176,000.00
Total Liabilities	176,000.00
Equity	
32000 · Unrestricted Net Assets	495,233.84
Net Income	56,577.48
Total Equity	551,811.32
TOTAL LIABILITIES & EQUITY	<u>727,811.32</u>

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Double Horn Creek Water Supply Corporation
Profit & Loss YTD Comparison
December 2024

01/21/25

Accrual Basis

	Dec 24	Jan - Dec 24
Ordinary Income/Expense		
Income		
4000 · Operating Income		
4002 · Monthly Charges - Residential	11,690.84	140,526.62
4004 · Monthly Charges - Commercial	364.80	3,453.00
4007 · Monthly Charges - TCEQ (RAF)	60.28	745.59
4009 · Water Connection Fee	5,000.00	20,000.00
4012 · Reserve Service Charge	0.00	3,932.50
4014 · Membership Transfer Fee	100.00	700.00
4016 · Water Adjustment/Late Pmt. Fee	442.95	5,373.47
Total 4000 · Operating Income	17,658.87	174,731.18
Total Income	17,658.87	174,731.18
Expense		
7000 · Operating Costs - Contract		
7001 · Operations Contract - Monthly	6,283.80	88,087.47
Total 7000 · Operating Costs - Contract	6,283.80	88,087.47
7100 · Operating Costs - Admin.		
7135 · Electricity	454.77	5,083.14
7161 · Dept. State Health Services	0.00	382.00
7170 · TCEQ Annual Water System Fee	200.00	400.00
Total 7100 · Operating Costs - Admin.	654.77	5,865.14
7200 · Operating Cost - Repairs		
7205 · Repairs, O/M	0.00	9,267.04
Total 7200 · Operating Cost - Repairs	0.00	9,267.04
7300 · Operating Cost - Maintenance		
7310 · Smart Meters (AMI)	0.00	1,093.83
7335 · Water Tank Project	0.00	110.25
7380 · Other Operating Costs	0.00	153.83
Total 7300 · Operating Cost - Maintenance	0.00	1,357.91
7400 · Administrative Costs		
7420 · Postage	0.00	5.08
7425 · Printing and Copying	0.00	22.19
7430 · Dues and Membership	250.00	479.00
7455 · Bank Fees	0.00	30.00
7476 · DHCWSC Digital Costs	0.00	849.26
Total 7400 · Administrative Costs	250.00	1,385.53
7500 · Professional Services		
7510 · Accounting Services	225.00	3,543.56
7530 · Legal Services	0.00	780.00
7550 · Rate Study/Tariff Review	0.00	2,000.00
Total 7500 · Professional Services	225.00	6,323.56
7700 · Insurances	0.00	6,979.00
Total Expense	7,413.57	119,265.65
Net Ordinary Income	10,245.30	55,465.53

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Accrual Basis

Double Horn Creek Water Supply Corporation
Profit & Loss YTD Comparison
December 2024

	<u>Dec 24</u>	<u>Jan - Dec 24</u>
Other Income/Expense		
Other Income		
5000 · Non-Operating Income		
5010 · Interest Income	107.98	1,111.95
Total 5000 · Non-Operating Income	<u>107.98</u>	<u>1,111.95</u>
Total Other Income	<u>107.98</u>	<u>1,111.95</u>
Net Other Income	<u>107.98</u>	<u>1,111.95</u>
Net Income	<u><u>10,353.28</u></u>	<u><u>56,577.48</u></u>