

DIAMOND HEAD WATER SUPPLY CORPORATION
28717 Waikiki Lane, Montgomery, TX 77356
<https://diamondheadwatersupplycorporation.com>
Water Board Monthly Meeting Minutes:
Monday, October 13th, 2025 @ 7:00 P.M.
Diamondhead Clubhouse

Board Members:

- Ray Leon, President: Present
- Charlie Michalak, VP: Present
- Carol Fine, Treasurer: Present
- Dean Kisseberth, Director: Present
- Jerry Yanello, Director: Present
- Cami McSween, Secretary: Present

Guest: Becky Radcliff. Sign-in sheet available.

This monthly regular Meeting commenced at 7:00 pm in the clubhouse. The previous monthly meeting was held on September 8th, 2025.

1. Welcome and Call to Order

The meeting was called to order by President Ray Leon.

2. Quorum established

3. Review of September Meeting Minutes

The monthly minutes were motioned for acceptance by Charlie Michalak and seconded by Ray Leon.

4. Financial Reports

4.1. September Financials Review. Treasurer Report motioned for acceptance by Charlie Michalak and seconded by Ray Leon. Hays monthly billing reviewed. AIA Insurance consolidated and payments scheduled bi-yearly.

4.2 Ray obtained file cabinets from Facebook marketplace and placed in office for paperwork. Well #2 manifold stand built by Ray and cinder blocks removed to enhance structural stability. Ray re-wired exhaust fan in plant building. Ray ordered and placed propane safety signs.

4.3 Water Services Turn-on/ Turn-off Fees. Ray ran a cost analysis that reports a \$858.00 loss for Diamond Head WSC for on/off fee charges that we do not pass along to user that

incurred over the last 9-month period. To correct this on our rate schedule we will need a non-refundable transfer fee of \$75.00 for new service. That will make an owner new service \$70.00 deposit and \$75.00 transfer. And a renter \$150.00 deposit and \$75.00 transfer. We will need to change Tariff to reflect this change after a review with attorney to ensure correct and congruent with governing bodies.

5. President Notes/ Updates

5.1 Texas Commission Environmental Quality Water Plant Annual Inspection conducted. Entire walk through completed that reported *no discrepancies*.

5.2 Water Plant Sanitary Control Easement and Well Registration Project are well underway. Ron from Quest engineering has completed and turned into Stacy in permitting department at TCEQ and they will finalize in 30 to 60 days. Upon acceptance of Sanitary Control Easement, we can decommission Well #1 and register Well #3 after obtaining successful well samples.

5.3 Accounting firm Steve M. Smith, PC IRS Form 990 Compliance Update. Discussion regarding setting up Quick Books.

5.4 Diamond Head WSC Article of Incorporation, By-Laws and Tariff Attorney Update reported. Work began with attorney Jayne Stark to ensure these documents are correct and congruent with all governing bodies and Texas Business Organizations Code mandates.

6. Administrative Work

6.1 San Jacinto River Authority (SJRA) GRP Water Rate Change. Motion for approval to pass along rate decrease. Motion by Charlie Michalak, Seconded by Ray Leon.

6.2. TCEQ/IRS Travel Policy for Diamond Head WSC Reviewed by Dean Kisseberth. Travel Policy guided by IRS, TCEQ and US General Services Administration. All board members are present and vote in agreement. Document signed by Ray Leon and Cami McSween.

6.3 Engineering Ultrasonic Hydropneumatics Tank Testing is required for maintenance by TCEQ. Motion to proceed with Bleyl Engineering by Charlie Michalak and seconded by Dean Kisseberth. Charlie requested that identification marks are placed on tank for testing areas for future analysis.

6.4 Diamond Head Cloud and Record Storage reviewed. Dropbox demonstrates superior ability to network with GoDaddy and the board feels confident that records can be maintained and accessed per TCEQ mandates. Motion made to proceed with Dropbox by Charlie Michalak, seconded by Cami McSween. Ray Leon brought up the question if our website should be accessible to all public or if we should limit to our customers. The Board discussed that we should limit our website information to our customers. Ray will determine how to proceed with this. He created and maintains Diamond Head WSC Website.

6.5 Quest Engineering- South Lift Station Upgrade and Feasibility Study reviewed. Quest engineering can complete for \$6,500, a much lower bid than we received from Bleyl engineering. This has been set aside in our yearly budget, and we are now ready to proceed. Motion to proceed by Jerry Yanello and seconded by Cami McSween.

6.6 Hays- Hydropneumatics Tank Inspection/ Rehabilitation Review: If a structural deficiency is identified during Ultrasonic Hydropneumatics Tank Testing, tank replacement may be required. If no structural deficiency is identified, we need to follow through with tank interior inspection and possible full rehabilitation. Project projected cost from Bleyl Engineering and Hays Utility at \$20,300 worst case scenario. Motion to proceed by Dean Kisseberth and seconded by Ray Leon.

7.0 Operational

8.0 New Business.

8.1 Calendar: AWBD Membership dues added to October schedule.

Discussed to increase Water Board Directors to 3-year limits that stagger in order to prevent President and Vice President from election on same year. This will need to be changed in the By-Laws. We will take this to our attorney to ensure compliance with TCEQ and Texas Business Organization Code mandates.

9.0 Open to Public Comments

No comments

10.0 Regular Meeting Adjourned at 8:20PM.

Next regular meeting is scheduled for November 10th, 2025.

EXECUTIVE SESSION

To consider legal action on delinquent accounts, non-compliance issues, shareowner's hearings or meetings with the Board, if scheduled, and any matters involving invasion of owner's privacy or matters involving parties who have requested confidentiality, to which the Board has agreed to honor this request. Review any pending legal action and confidential attorney communications, personnel matters, or contract negotiations.