

DIAMONDHEAD WATER SUPPLY CORPORATION 28717 Waikiki Lane, Montgomery, TX 77356

Monthly Meeting Minutes: April 8, 2024

Board Members:

- Jeffrey Hughes, President: Present
- Charlie Michalak, VP: Absent
- Carol Fine, Treasurer: Present
- Dean Kisseberth, Director: Absent
- Eddie Hudson, Director: Present
- Ray Leon, Director: Present
- Cami McSween, Secretary: Present

Guests: Rob and Kathy Johanson, Becky Radcliff, and Randy and Karen Locke.

Sign-in sheet available.

The meeting commenced at 7:04 pm in the clubhouse. The previous meeting was held on March 11th, 2024.

Agenda:

1. Welcome and Call to Order

The meeting was called to order by President Jeffrey Hughes. Quorum was established.

2. Weisinger Presentation: Christian Rivera presented on well construction, covering naturally developed wells (NDWs) and gravel-packed wells (GPWs). NDWs are cheaper (\$50K less) and faster to construct but risk suspended solids impeding water flow through the screen. GPWs facilitate sediment retention, hole stabilization, and easier cleaning but cost more.

2019 Well #1 replacement demonstrated minimal sediment and good stabilization. The new proposed well aims for 200 GPM flow by using 6-inch piping. Materials include welded steel casing and threaded screen. Construction permits take 2-3 months. Turnkey pricing: NDW ~\$150K, GPW ~\$200K.

3. Review of March 2024 Meeting Minutes

The monthly minutes were motioned for acceptance by Ray Leon and seconded by Eddie Hudson.

4. Review of March 2024 Treasurer Report

The treasurer report was motioned for acceptance by Ray Leon and seconded by Charlie Michalak.

5. President's Monthly Notes

President's Monthly Notes: Read and Discussed. Motioned for acceptance by Ray Leon and Cami McSween. In addition, Jeffrey was questioned by 2 residents, individually regarding how our

water rates compare with City of Conroe and Mud #3. Each resident was given information in writing with comparisons between charges. These handouts were shared at the meeting. Our rates are less expensive than MUD #3 and approximately 1/3 less than City of Conroe, save for Conroe's over 65 age exemption. SJRA sent notice of a rate change for GRP participants to be announced at April 22nd meeting. Jeffrey has called Rene Johnson to attend this meeting (if this is an open meeting) and invites other board members to join.

6. **TRWA Annual Water Conference:** (Professional Organization)

Key Points read and discussed with hand out. Attached. Of note, Fiduciary responsibilities for proactive planning for safe dependable water supply. TCEQ/ PUC new rules to include a warning for a judicial water board. A water board can now sell a water system without approval from residents. A city can now take over a CNN by law within 60 days can take over a water district completely or part of it. They first file a petition with the PUC. Must negotiate prices and cannot use eminent domain. TWBD (Texas Water Developmental Board) received 1 billion dollars in Fall 2023 under Sb-28. We will inquire about grants/ loans. **WSCs must now appoint a PIO (public information officer). Required 1 hour training under Texas Attorney General Website.** No votes may be conducted during executive session. Executive session is confidential. **Diamondhead WSC will need to set up a website by next year.**

7. **Public Information Act:**

A copy of this document was placed in clear display on window at Diamondhead Clubhouse. This document was reviewed and discussed at this meeting.

- **Water Well #2:** Weisinger came onsite to inspect and place bids for aging #2 well. Four bids received. **Bid 1:** Rehab only/ no equipment. **Bid 2:** Full rehab including equipment but cannot replace damaged casing. **Bid 3:** Replacement well. 450', 150 GPM, 100' SWL (static water level). **Bid 4:** Replacement well 450', 150 GPM, 100' SWL to increase pipe width from present 6" descending to 4" to upgrade 6" all the way down. This significantly increases GPM rate. Of note, casing failures frequently cause a well to be replaced and the casing condition is unknown until a well is taken apart. Date drilled: 8/1990. An additional bid was given during Weisinger power point presentation on April 8th. **Bid 5:** Gravel Packed Well: an additional \$50,000. **Discussion to request Weisinger to return to another meeting for further questions.**
- **Phosphate Drum Violation:** TCEQ gave us a violation for our PO4 tank storage and required us to hire an engineer. Bleyl engineering recommended we install a double wall chemical tank as our most cost-effective solution. We received a letter from TCEQ confirming approval of double walled chemical tank for PO4 storage. Hays purchased and installed this new barrel. **Pending Hays/ Bleyl to contact TCEQ regarding resolution of violation.**
- **Rate Study:** February 2024, we received approval to conduct an independent rate study with consultant Phillip Givens. This consultant is paid for by the Texas PUC. He has requested multiple records. All required records obtained during March 11th water board

meeting pending Hays query on each number of meter sizes. Meter sizes obtained and all information emailed and received by Phillip Givens on March 13, 2024.

- **Lift Station Pump Failures:** Ongoing monitoring efforts and increasing pump failures caused from debris. In November, an email was sent to residents to educate them on debris causing lift pump failures. Research reports widespread problems for many cities across the US. Ray provided a demonstration and presentation at our annual Water Board meeting and at the POA annual meeting. Carol audited financial data for the last 6 months to inform residents of the cost of flushing debris (to include flushable wipes). Carol added a memo to the water bill to notify residents of pump failures d/t flushable wipes and debris. Ray suggested brochures via email that will attract attention. South lift station is most impacted. Further discussion regarding other pump/ equipment measures that could be taken.
 - **Six Month Study of Costs/ Repairs:** Extensive summary conducted and presented by Ray Leon regarding costs and repairs. \$20,000 spent on pump repair/ failure. Julie Boyette created catchy flyers to further inform residents of problems created from flushable wipes and debris in toilets. Discussion to evaluate pumps for size, consider grinders, evaluate thermal overload protection. Jeffrey to set up a meeting with Phillip at Hays for full evaluation and discussion with board members.
 - **SJRA Refund:** Carol determined that the credit Diamondhead WSC will receive based on their pro-rated share of water usage during the 2022-2023 drought is \$5,000.
 - **TCEQ Copper/Lead Compliance:** All residents of Diamondhead WSC whose homes were built prior to July 1988 have received an email or mail survey to ascertain if any updates have been completed to lines from the meter to the house. Cami to complete copper/lead database then will meet to double check with a group of board members. We will then take the database to Hays. Update: database is near completion. Due October 2024.
 - **Hays meter surveillance:** Discussed the possibility of a trigger letter mid-month from Hays to help residents check for home water leak. Question for Hays: Could this be monitored with new meters? Discussion that this is already done monthly. Further surveillance may cause an increase in costs.
 - **Lonestar Ground Water Permit Yearly Analysis:** We are allowed to pump from reservoir 22,772,000 gallons annually. 2023 Usage: 12,056,200. 52.94%. We will continue to lobby to hold our allowance to prevent fines for going over our allotment.
 - **Emergency Plan Development:** Discussion for questions to Weisinger and Hays regarding emergency plan in case of an unexpected Well #1 failure while replacing Well #2.
8. **Hays Utility Bill:** (The **November 2023** Hays utility bill was reviewed and approved with a question regarding one repair from Charlie as to whether costs for line repair occurred under concrete? Inquiry pending.) March 2024 Hays utility bill included in evaluation summary. We

further discussed placing a notice of billing rights during extreme weather events on Hays bill memo (for renters).

9. **Discussion on Water Well #2:** This is our larger well. Well #1 is smaller and cannot provide full service to our residents during heavy water months. We suspect that well failure will be caused by casing deterioration. Our 34-year-old casing material is black steel TNC. The board determines that this well should be our next priority, ahead of lift station repair and sewer line scope/repairs. The board is favorable to the consideration of a new well to replace well casing and to improve pipe size to 6 inches for increased flow (GPM). There is a 3-to-6-month approval process that includes TCEQ allowing a new well. The board has determined to have more discussion at the next meeting to include timing of new Well and a vote. The Water Board will seek bids in the Conroe paper for a 1-week duration on any work that costs over \$10,000. Bids will be evaluated for price and quality of work.
10. **Water Plant Improvements:** Ray designed lasting winterization boxes for well controls. Jeffrey and Ray built these boxes and storage shelves to house the winterization boxes allowing for clear space and mowing during the summer. Project completed. Pictures and updates sent to residents.

Voting: A vote was held regarding the election of Cami McSween as PIO officer. All members present agreed.

Opened for Public Comments

1. Rob Johanson discussed increasing the size of Well #1, depending on TCEQ rules. Jeffrey replied this would not be allowed by TCEQ.
2. Kathy Johanson asked about restrictions for water usage while Well #1 is running during replacement of Well #2. Discussion that this will be timed for winter and residents will be requested to decrease landscaping water.

Operations Update:

- Pumped VS Billed: 98.47%
- GPM #1: 60, GPM #2: **142**, Lonestar YTD: 8.63% (**Monitoring Well #2 for decrease**).
- Daily Booster PSI: 62 averages.
- Chlorine Levels: Normal at 1.56 ppm.
- System PSI daily average: 62 psi
- All 3 Lift Station: Normal at this time.
- Lone Star Groundwater: 5.32% annual

Next Meeting: Scheduled for 7:00pm on May 13th, 2024 at Diamondhead Clubhouse.

Adjournment: The meeting adjourned at 8:55 pm on April 8th, 2024, after a motion to accept by Ray Leon and seconded by Carol Fine.