

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

Monthly Meeting Minutes: August 12th, 2024.

Board Members:

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

Guests: Becky Radcliff, Randy Locke and Gunner Ruthstrom

Sign-in sheet available.

The meeting commenced at 7:02 pm in the clubhouse. The previous monthly meeting was held on July 16th, 2024.

Agenda:

- **Welcome and Call to Order**
The meeting was called to order by President Jeffrey Hughes. Quorum was established.
 - Jeffrey Hughes, President turned in his resignation to the board. **With great reluctance the board accepted his 6 years of exemplary and unwavering service to Diamondhead WSC residents.** An interim President will be elected at next board meeting.
- **President's Monthly Notes**
Read and discussed. Motioned for acceptance by Dean Kisseberth and seconded by Ray Leon.
- **Review of July 2024 Meeting Minutes**
The monthly minutes were motioned for acceptance by Charlie Michalak and seconded by Carol Fine.
- **Review of June 2024 Treasurer Report**
The treasurer report was motioned for acceptance by Charlie Michalak and seconded by Cami McSween.
- **Review of Financial Operations Report**
Emergency generator use for pumping sewer from lift stations during Hurricane Beryl was brought under question. Charlie Michalak will go to Hays and discuss with Phillip to ensure all charges are valid. Our emergency back up plan worked perfectly supplying water to all residents during Hurricane Beryl's lengthy power outage.

Business:

- **SJRA:** Jeffrey and Ray attended SJRA second rate change meeting. Rate change outcome: decrease 3 cents per 1,000 gallons. Jeffrey spoke at this meeting to notify SJRA that 1/3 of our residents' water bill goes to SJRA and this is too high. We were overcharged during drought in 2023 and since received a \$5,255.50 credited to Diamondhead WSC. **Carol has been working diligently to ensure this credit is applied. Follow up at September meeting. Jeffrey provided a new letter of notification reporting a further price decrease from \$2.99 to \$2.67 per 1,000 gallons. We will need to notify the Texas PUC and change the tariff to reflect this rate change in October 2024.**
- **Water Well #2 (Drilled 8/1990):** Weisinger came onsite to inspect and place bids for #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. An additional bid was given during the Weisinger power point presentation on April 8th. **Bid 5:** Gravel Packed Well: an additional \$50,000 (decreases sediment and increases stabilization).
 - Discussion on Wells to date: The 2019 replacement of Well #1 demonstrated minimal sediment and good stabilization. Therefore, the gravel packed well may not be necessary. Of note, casing failures frequently cause a well to be replaced and the casing condition is unknown until a well is taken apart. Well #2 is 34 years old with black steel TNC casing material. We anticipated that well #2 would fail prior to Well #1. Well #1 is smaller and cannot fully service our residents during peak water usage months. The Water Board has established a priority to replace #2 Well prior to lift station repair and sewer line scope/repairs. The proposed new well for Well #2 aims for a 200 GPM flow using 6-inch piping. The materials will include a welded steel casing and a threaded screen. Construction permits will take 2-3 months. Turnkey pricing estimates are approximately \$150K for NDW and \$200K for GPW. We plan to meet with Weisinger in Willis to discuss materials, timing, and emergency planning. Ray discussed obtaining bids from three other companies that have completed local wells. Ray listed well companies and the wells completed. As per regulation, the board will seek bids in the Conroe paper for one week for any work costing over \$10,000, evaluating them based on price and quality of work. The approval process, including TCEQ's allowance for a new well, takes 3-6 months. The well will be replaced during the low water season.
 - 1) Ray brought to the board's attention that there is a discrepancy in Weisinger paperwork regarding Well #1 and Well #2 depth from their past state records. Weisinger drilled these wells. Charlie suggested that we obtain an alternate bid for upgrade to galvanized, welded and coated well materials. The board

compiled a List of questions for Weisinger. Jeffrey will provide Weisinger with this list prior to our meeting to include a detailed history of all work done with our wells.

- 2) Board discussed that the expense of lead removal in service lines may forestall well replacement. This will be determined upon completed assessment of all service lines.
- **SJRA:** Jeffrey and Ray attended SJRA second rate change meeting. Rate change outcome: decrease 3 cents per 1,000 gallons. Jeffrey spoke at this meeting to notify SJRA that 1/3 of our residents' water bill goes to SJRA and this is too high. We were overcharged during drought in 2023 and since received a \$5,255.50 credited to Diamondhead WSC. Carol received notice that \$2,465.85 of this credit will be subtracted from this month's bill. Carol followed up and this credit was incorrectly shown on our bill. She is working to straighten out. At this time, a \$2,000.00 credit has been received. She is diligently following up to ensure that we receive our complete credit. Jeffrey provided a new letter of notification reporting a further price decrease from \$2.99 to \$2.67 per 1,000 gallons. **We will need to notify the Texas PUC and change the tariff to reflect this rate change in October 2024.**
- **Texas PUC 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 compiled by Hays. Information emailed and received by Phillip Givens on March 13, 2024. On May 2nd, the board met with Phillip Givens via video conference, where he presented his rate study. The board found the report contained incorrect rate data and meter counts. The board corrected the rate schedule with Phillip during the meeting, pending his reformatting. We will inspect and determine each meter by address, then return the meter information to Phillip Givens. Once he adjusts his study, we will reconvene. On May 23rd, the board met with Phillip Givens at the clubhouse. An error was noted pertaining to our current rates that were yet uncorrected. He completed the presentation and reported he would correct errors in the report. This correction is yet again, not observed on his final document. **The board has determined that we will stay at our present rates. Our water bill's present base rate is \$108.68.** Suggested rates by Phillip Givens included Budgeted Calculated rate (base rate): \$179.70 or Recommended Rates (base rate): \$139.50.
- **Texas Copper/ Lead Database:** 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. The database is now nearly complete. Ray will add the gated area residents' emails to finish the database. Upon completion this week, we will schedule an appointment with Hays. The database is complete. Jeffrey received new information at AWBD conference from EPA. **Our initial SLI (service line inventory) is due on October 16th, 2024. This includes all structures**

that serve water, including fire and irrigation lines, where applicable. Notification and lead education deadline is November 15th, 2024. SLI will include Lead, Galvanized Requiring Replacement (when system is unable to prove lead was not ever previously upstream of customer side, Non-Lead and Unknown. It is imperative that we stay on timeline to avoid additional very costly expenditures for monitoring and filters to each customer.

- **PFAS (forever chemical):** Bio accumulative and linked to decreased fertility, developmental effects in children, prostate, kidney and testicular cancer, liver damage and immune suppression. Many routes of exposure, including drinking water. Clusters shown of PFAS in Houston and surrounding areas. PFAS was detected in 70% of the samples collected nationally. **Initial monitoring must be completed by 2027, followed by ongoing monitoring and public notification, ie. (consumer confidence report).** By 2029, implement solutions to reduce 6 PFAS if exceed MCLs and provide public notification of the violation.
- **TRWA Annual Water Conference:** 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.** Cami McSween was elected PIO officer. She has completed the education unit and will brief the board at the next meeting. **Diamondhead WSC will need to set up a website by next year.**
- **PIO Officer:** Camie McSween was elected PIO officer. She completed her required education and has printed the certificate. To note: text messages will be recorded on USB device bi-annually. All records maintained to be audited if required. Any resident request for information must be completed in 10 business days. Further time is allotted when the question scope needs to be narrowed down. Requests for information must be completed in writing. No confidential (personal) information may be given that pertains to other residents.
- **Diamondhead WSC Website:** Discussion regarding who to employ to create our website. Ray Leon has extensive experience in the computer field and discussed that we could do with very little expense. He has agreed to create our website and monitor.
- **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. Further discussion regarding other pump/ equipment measures that could be taken with list of

questions for Hays at the next upcoming meeting. Ray completed a 9-month analysis that showed improvement but persistent problems with RP pump replacement. We decided to send another education blast with a graphic and Ray's summary. This email was sent out to all residents on June 11, 2024. **Ray has further information, and we will send out a week or two after a letter of notification of service line inspection to residents.**

- **Nine Month Study of Costs/ Repairs:** Extensive summary conducted and presented by Ray Leon regarding costs and repairs. \$40,000 spent on pump repair/ failure. This summary will be emailed to all residents. This email was sent to all residents on June 11th, 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. Presently, only 33 meters are pending installation. **A vote was taken during this meeting to complete all remaining meters this year, to close out books on this matter. This will increase meters to 6 per month. All board members present voted yes, in agreement.**
- **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.
- **Money Market Account:** Present high interest-bearing money market account is nearing 6-month completion. **The board will renew as there is no penalty for early withdrawal.**
- **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). **Tabled until Hays meeting.**

Voting: 1) All board members are in agreement for purchase of 100 business cards. 2) All board members in agreement to complete water meter installation in this calendar year.

Opened for Public Comments

None

Operations Update: (Jeffrey received this today)

- Pumped VS Billed: 95.80%
- GPM #1: 60, GPM #2: **142 (Monitoring Well #2 for decrease).**

- Daily Booster PSI: 59 averages.
- Chlorine Levels: Normal at 1.56 ppm.
- All 3 Lift Station: Normal usage throughout month.
- Lone Star Groundwater: 21.61% annual

Next Meeting: Scheduled for 7:00pm on August 12th, 2024 at Diamondhead Clubhouse.

Adjournment: The meeting adjourned at 8:50 pm on July 16th, 2024, after a motion to accept by Eddie Hudson and seconded by Carol Fine.