

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

Meeting Minutes: February 12, 2024

Board Members:

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

Guests: Rob and Kathy Johanson, Becky Radcliff, Peggy and Roger Anderson.

Sign-in sheet available.

The meeting commenced at 7:02 pm in the clubhouse. The previous meeting was held on January 8th, 2024.

Agenda:

1. Welcome and Call to Order

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

2. President's Monthly Notes

President's Monthly Notes: Read and Discussed. Motioned for acceptance by Ray Leon and Cami McSween.

- **Water Well #2:** Weisinger came onsite to inspect and place bids for aging #2 well. Three 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. Casing failures will cause a well to be replaced and the casing condition is unknown until a well is taken apart. Date drilled: 8/1990.
- **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.
- **Winterization:** Winterization complete. AC/heat pump in treatment plant. New breakers were added to accommodate AC/Heat pump unit. Chlorine pipes moved inside of the building. Metal boxes placed over Well #1 and Well #2 equipment with heaters completed by Ray and Jeffrey. Automatic transfer switch kicks on automatically in power

outages to fully power water plant. New breakers were added to accommodate AC/Heat pump unit.

- **Rate Study:** February 2024, we received approval to conduct an independent rate study with consultant Phillip Givens. Plan to begin at March 11th water board meeting to obtain required documents.
 - **Lift Station Pump Failures:** Ongoing monitoring efforts. 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.
 - **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. We will discuss further at the March 11 water board meeting and turn our database into Hays.
 - **Hays meter surveillance:** Discussed the possibility of a trigger letter mid-month from Hays to help resident check for home water leak. Question for Hays: Could this be monitored with new meters? Pending.
 - **2023 Annual Financial Report:** Our accountant completed paperwork for 2023 financial report and filed with TCEQ. The PUC does not require filing due to our non-profit status.
 - **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.
3. **Hays Utility Bill:** The November 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. January Hays utility bill was \$8,031.93. Reviewed and determined accurate. This bill has 2 annual charges of \$1,000 each for Water Plant view of Regency Point and Diamondhead North lift stations. We discussed also placing a notice of billing rights during extreme weather events to be also placed on Hays bill memo (for renters).
4. **Review of January 2024 Meeting Minutes**
The minutes were motioned for acceptance by Dean Kisseberth and seconded by Eddie Hudson.
5. **Review of January 2024 Treasurer Report**
The treasurer report was motioned for acceptance by Charlie Michalak and seconded by Eddie Hudson.
6. **Discussion on Water Well #2:** This is the large well. Well #1 is not large enough to provide full service to our residents during heavy water months. The well casing deterioration is how we expect our Well to fail. Our casing material is black steel TNC. Our casing is 34 years old. The board determines that this well should be our next priority, ahead of lift station repair and sewer line scope/ repairs. It is \$38,500. To repair well # 2 but does not replace the casing. The board is favorable to spending \$123,212. for a completely new well. There is a lengthy approval process

that includes TCEQ allowing a new well. The board determined to have more discussion at the next meeting to include timing of new Well and a vote.

7. PUC Consultant, Phillip Givens recommended that we join Texas Water Development Board. He reported that this group supports small WSCs. Jeffrey researched and discussed the TWDB provides information on funds and rulings on the copper/lead line replacement. Cost of membership is based on water meters. Ours is approximately \$700. The board took a vote on whether to join. Unanimously voted yes by all board members.

Opened for Public Comments

1. Kathy Johanson asked if lift station boards were fixed? The board responded, yes. She asked what material was used. Cami reported that the board Marvin replaced with was thicker than the pre-existing boards. The exact color was no longer available but a very close and matching color was used.
2. Rob Johanson asked what is going to happen with lead/ copper revision. Board discussed our responsibility to turn information on data base to Hays for completion to EPA. Charlie discussed how the revision ruling for the WSC to replace pipes on private residences is unprecedented. The board will continue to monitor for updates.
3. Rob Johanson asked if we need to keep Lonestar Groundwater usage amount at our high level since our subdivision is mainly built out. Discussed that we are fined if we go over so will strive to keep the amount high.
4. Becky requested a copy of the rate tariff that we filed with PUC. She looked on the website and could see where it was filed but she could not view it. Cami reported that it takes time for the PUC to place under the viewing area. The documents are very large but I could make her a copy. I had with me the rate portion of tariff. Charlie thought it might be a better idea to send as a PDF and to request on the signup sheet. We agreed on this.

Operations Update:

- Pumped VS Billed: 94.03%
- GPM #1: 60, GPM #2: **138**, Lonestar YTD: 2.99% (**Monitoring Well #2 for decrease**).
- Daily Booster PSI: 60 averages.
- Chlorine Levels: Normal at 1.15 PPM
- All 3 Lift Station: Normal

Meeting Summary: Voting: All board members voted Yes to join Texas Water Development Board.

Next Meeting: Scheduled for March 11th, 2024, at 7:00 pm at the Clubhouse. Annual Meeting February 25th, 2024.

Adjournment: The meeting adjourned at 8:29 pm on February 12th, 2024, after a motion to accept by Charlie Michalak and seconded by Dean Kisseberth.