

MINUTES

Cypress Cove Water Supply Corporation Spring Branch, TX 78070 BOARD OF DIRECTORS MEETING June 12, 2019

1. Call to order and Open Meeting

Board Members present: Gordon Swan, Shelly Ludwig, Sid Jones

Visitors Present: Angie Price, Michael Vorhis

Meeting opened at 6:35

2. Invocation

Invocation by Sid

3. Review & Approve May 15 Minutes Review May financial reports

Total expected Net income on the forecasted budget for March and April being not close to actual discussed

29% water loss discussed; Gordon - flushing the tanks when the liquid chlorinator broke is most likely the cause

Motion to approve minutes and financial reports by Sid, Shelly seconded. Motion passed unanimously

4. Elect Vice president/Review director positions & classes

Terms:

Shelly Ludwig: Class 2 – 2 yr term (exp 2021)

Sid Jones: Class 3 – 3 yr term (exp 2022)

Election of Vice President:

Shelly Ludwig was voted in as Vice President via secret ballot

5. Water Operator's report

Julian was not present, so Gordon provided water operator's report

Gordon Discussed:

Liquid Chlorinator; pump station 1 break

Julian, Gordon, Eddy & Angie partnered to resolve issue:

When Pump Station #1 went down, had to switch pump station #5 to cover everyone not just the 100 it usually does; moved gas chlorinator from pump station #2 = \$2,700 vs purchasing new gas pump (\$500) because the gas chlorinator is cheaper and safer. Gordon found a part to fix the liquid chlorinator for \$60; fixed and now will be used as a backup. Pump #1 back online and pump #5 back to services original area.

PEC had outages by high winds, pump station #5 was impacted and shut pump down for low voltage. Designed to automatically kick over to the other pump but only does it 3 times; then must be done manually. PEC on site last week; spliced lines and found source of a short which has now been fixed it.

Julian: Located water lines on Hornsby for PEC re: growth. Leaks and road cuts suffered due to Chlorinator issue. Still experiencing pain from previous workman comp injury.

6. Discuss and approve board president authorized spending limits

Tabled to include input by Treasurer

7. Office/Admin report (check signers, Julian Card, CCR posting)

Angela discussed:

Check signers: Shelly was approved at the last meeting to be added as a signer; all paperwork has been submitted; Should be completed w/in the next 30 days

Julian's credit card: bank declined for additional documentation; provided additional info and now want more additional information and for Gordon to personally be responsible for the card. May need to find a different financial source for credit card or investigate gas/prepaid card instead. Suggestion was made to possibly set up a limited savings account. No decision was made.

CCR posted (consumer confidence report) as of June 1.

Shelly Ludwig now has access to website to post alerts and has been trained on how to do it

8. Water faucet in Cypress Cove's community park

CCWSC will put a meter on the faucet and lock it. Needs to be monitored to ensure zero(0) usage.

9. Review tariff regarding CSI requirements/approve changes of wording under Sec. G, #4
Remove: ~~A fee of \$150 will be assessed each Applicant before permanent continuous service is provided to new construction.~~ New Wording: CSI's are required to be performed at the consumer's expense on new construction and proof provided upon request from CCWSC prior to water being permanently supplied to location, existing services where contaminant hazards are suspected and existing serviced where major renovations or expansion of the distribution facilities have occurred (from CCWSC Website)

Motion to approve wording changes under Sec. G, #4 by Gordon, Sid seconded. Motion passed unanimously

10. Review approved motion from 5/15/19 meeting **that any disputed charges for leaks over 50,000 gallons would be charged at the lowest tier of the tariff** when evidence has been presented that the leak has been repaired and inspected by the CCWSC water operator.

Approve this additional wording to add to tariff under Sec. E, #12, disputed bills

Motion to approve wording changes under Sec. E, #12, Disputed bills by Gordon, Sid seconded. Motion passed unanimously

11. Discuss and approve optional rate increase- tabled from May meeting

Discussed details of rate increase previously discuss in the 5/8/2019 meeting based on documentation provided by Elliot reflecting an increase to the base rate from \$29.75 (current) to \$35.00 with the new rate taking affect 30 days after notification of change to residents. This increase should provide for a much needed increase in income ~\$3k per month.

There were no residents present to object to the rate increase.

Motion to approve rate increase by Shelly, Sid seconded. Motion passed unanimously

12. Discuss Jerel's contract and pay-tabled from May meeting

Angie advised Jerel would like to discuss wording w/in the contract with Gilead. Item was tabled until after this conversation.

13. Discuss and approve after hours emergency contact info.

Shelly advised her preference to not be included in the emergency call list due to lack of knowledge of the system and personal responsibility limited the time she would be available.

The decision was made to include Gordon, Sid and Gilead as emergency contacts providing their phone numbers on the Website while Shelly will be listed with an email address to enable contact other than by phone.

14. Discuss & approve Julian's vacation pay (take only one week off, but receive the extra pay for the other week)

Motion to approve Julian be paid for the full two weeks' vacation allotted by his contract regardless of if he takes the time off or not, by EOY, by Sid, Shelly seconded. Motion passed unanimously

Need to secure a Class C operator to supervise Eddy while Julian is on PTO.

15. Discuss old business: Gordon's discussion w Julian about his medical & retirement

Motion to approve a set limit of \$500 per year for Julian to use towards medical and retirement funds by Sid, Shelly seconded. Motion passed unanimously

16. Discuss M&S Engineering

Hydraulic modeling: Gordon to call Monday (6/17/2019) to give deadline of Monday next (6/24/2019) for completion of modeling.

17. Discuss/Approve Ranch Station upgrade budget

Discussion:

Gordon proposed a \$40k budget for upgrading the Ranch Station; does not include renovations to the station itself, includes a new pump, variable drive, controllers, plumbing, possibly a pressure vessel and electrical upgrades. The ranch station is the main source of water for the cove and would cause serious hardship if it were to fail. Shelly had concerns about how CCWSC would pay for these upgrades. Gordon explained he and/or Gilead would act as general contractors hiring the sub-contractors and securing equipment to enable them to negotiate costs and help reduce the overall expense of the projectx and will complete work in phases as monies are available. A special assessment will be used only as a last resort. The proposed rate increase will assist in covering costs.

Motion to approve the \$40k budget proposed by Gordon to upgrade the Ranch Station by Shelly, Sid seconded. Motion passed unanimously

18. Public input: Limit of 3 minutes per person, your questions, comments and constructive suggestions are welcome. If subject is not on current agenda, board can't discuss, otherwise it can be added to future agenda if approved.

Angela discussed the conference she recently attended noting that there were some policies we may want to consider implementing/documenting. Shelly recommended to send the suggested policies via email for all to review on their own time and we can add them one at a time to the agendas to potentially implement.

Gordon suggested the first policy be related to Julian's cell phone to be purchased by CCWSC vs his person phone cost be reimbursed to enable access to the phone and its contents without a subpoena.

19. Set date for next meeting.

July 10 at 6:30pm

11. Close and adjourn.

Motion to adjourn by Shelly, seconded by Gordon.

Meeting adjourned at 8:48pm

These minutes are true and accurate to the best of my knowledge.

Shelly Ludwig
Vice President
Cypress Cove Water Supply Corp.