

Meeting Minutes
Cypress Cove Water Supply Corporation
Spring Branch, TX 78070
Location: Cypress Cove Civic Center
Wednesday, 12/13/17

1. Open Meeting – all but Charles present

Motion to open Ziembra, Second Leadford, all vote YES

2. Invocation

Conducted by Elliott.

3. Discuss and consider minutes from previous meeting

Motion to approve (Leadford), second (Swan), all vote YES

4. Update on soliciting applicants for Class C operator (Elliott)

Julian Gomez to retire and would like to be the WSC operator. Discussed background checking. Need to have approval from him and application before we can background check. Two other possible candidates have arisen out of the ~22 class C operators in this area.

5. Review Status of Customer tap requests

All taps are current.

6. Review Status of Leak repair requests

All known leaks have been repaired to everyone's knowledge.

Leadford asked if PGMS was going to pay for the leak they created. Dub will look into their latest bill.

Repair cost should be deducted from their most recent invoice.

7. Old Business (Tabled topics or Action Items from previous meetings):

a. Status of GL and Umbrella Insurance policy quotes (Elliott/Angie - 9.20.17)

Quote doesn't need to renew until July of 2018. Gilead will keep a separate list of action items including insurance renewal.

b. Status of contacting trash company to determine added cost of trash provider to bill directly to customers (Charles – 9.20.17)

The trash billing has been confirmed that it cannot be billed by the WSC. HOA will need to handle billing. Charles noted the trash removal supplier would bill \$0.55 per address to bill directly.

c. Discuss and consider how to split trash billing from water billing (Tabled - 9.20.17)

Billing will be done by HOA per state law. No vote needed.

d. Discuss and consider Subcontractor agreement between CCWSC and A. Price (Tabled – 10.11.17)

Motion (Owen), Second (Leadford), to have Gilead discuss these three contract terms with Angie to get a resolution to these three clauses, 4 YES, 1 NO (Swan)

1. Reimbursable expenses
2. Terminating the agreement
3. Dispute Resolution

e. Discuss and consider new Office/Garage acquisition (Tabled – 10.11.17)

Discussed HOA will put property under earnest money with the intent to possibly sell the property to the WSC after a 2-year earnest money contract period.

Motion (Leadford), second (Gilbert) to discuss the purchase of the property from the HOA in about 18 months. After discussion, motion withdrawn (Leadford). Decided that no vote needed as WSC cannot be party to the contract and is not currently proposing to enter a contract with the CCMA.

- f. **Discuss and consider** policy regarding unusual request from customers for partial and extended payments. (Tabled – 10.11.17)

Motion (Ziemba), second (Leadford), to allow the WSC to consider each request on a case-by-case basis as permitted by the approved tariff. 4 YES, 1 NO (Swan)

- g. **Discuss and consider** additional STM Application processes (Tabled – 11.8.17 till 03.18)

Motion (Owen), second (Ziemba) to approve the Transfer of Assets document presented. All vote YES.

1. Signed contract as evidence that the transaction has been finalized
2. CCWSC must file documentation of the transfer of customer deposits
3. Affidavit explaining the disposition of customer deposits.

8. **Discuss and consider** new tariff policy regarding customer refunds and accrued interest:

Approved as part of 7.g above.

- a. Continue to refund deposits with interest as required by the current tariff. Once the transfer is approved by PUC, CCWSC will amend the tariff to eliminate refunding memberships except when ownership of property changes to new owner.
- b. At time of approval of transfer, all customer deposits with interest will transfer to the new WSC as a \$50 membership. If there has already been a refund, that account will still have a \$50 membership but with zero balance, no additional refund.
- c. Any subsequent membership refunds under the new WSC will need to include interest, except those with zero membership balance.

9. **Discuss** proposed rate increase

Discussed. Elliott presented the spreadsheet summary of old vs. proposed rates. Gilead asked if the proposed revenue increase was enough to cover expected capital improvements. Elliott stated that he foresees the need for the WSC to consider taking a loan for capital improvements and that to make revenue match the need would likely drive the rates too high for the WSC to stay competitive with surrounding utilities.

10. **Discuss and consider** addition of Engineering Services line-item to 2018 budget

Motion (Ziemba), second (Swan) to add a \$30,000 line-item to budget. All vote YES.

11. **Discuss** proposed scope of Ranch Station upgrades and expected budget range

Discussed.

12. **Discuss** creating/posting a solicitation for a replacement or supplement contractor to PGMS

Gilbert asked board member opinions regarding the three operation concepts: Contractor, Employee, or Contractor/Employee model. Each board member described their thoughts. Owen noted that we have time to agree/decide on use of Class C operator/helper arrangement vs. a 100% sub-contractor management model before the transition to the CCWSC.

13. **Discuss** how the WSC will be run and managed and by whom

Discussed in conjunction with #12.

14. **Review** November Systems Totals

Reviewed.

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15. Set date for next meeting

Jan. 10th, 2018

16. Public input: Limit of 3 minutes per person

None.

17. Close and adjourn

Motion (Ziemba), Second (Leadford), all vote YES.