

MINUTES

Cypress Cove Water Supply Corporation Spring Branch, TX 78070 BOARD OF DIRECTORS MEETING May 15, 2019

1. Call to order and Open Meeting

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

Visitors present: Angie Price, Dub Paden, Charles Gilbert

Meeting opened at 6:50pm

2. Invocation

Invocation by Gilead.

3. Review April financial reports

No questions on financial reports.

4. Review & Approve May 8 Minutes

Item 6c should be amended that Charles agreed to present the offer to the Board as it was not accepted at the meeting. Item 6e should be removed completely as it was not a properly established procedure for CCWSC.

Item 3a: Change "Ted" to "Sid".

Motion to approve the minutes as amended by Sid, Shelly seconded. Motion passed unanimously.

5. Provide time for CCMA to respond regarding excessive pool usage after their Board meeting.

Charles presented appreciation of the CCMA for the previous proposal to reduce the water usage fee. Explained the issue was a separated glue joint on a 1" pipe. Expressed concerns that leak could have been contributed to by higher than normal pressures on Pressure Plane 1. Charles noted that the leak was not an obvious one, given the visual evidence at the location and the fact that ~760,000gallons was lost. Charles accepted that there is a cost of this loss and that the CCMA expects to pay for the water usage but asks that the CCWSC Board would consider a further reduction in the fee to be charged (based upon last week's meeting discussion) and asks that the CCMA be granted leniency to not be cut off of water while the Boards discuss this issue and determine a good way forward.

Question of how often the pool maintenance folks check the pool – Answer that the pool maintenance folks had not checked the pool for about 2 weeks.

Gordon noted that the PVC pipe that failed was exposed to UV light and not buried, which he felt was the largest contributor to the failure. He noted that the pressure plane has only (reportedly) experienced low pressure issues, not high-pressure problems.

Gilead asked if there was a financial hardship and the ability to pay the bill. Charles indicated that there was not currently, but that the best approximation that the CCMA has is that it costs \$70 per lot and the

dues are only \$24 per lot, which creates a situation in the future of financial hardship.

Charles left the meeting to facilitate CCWSC discussion. Gilead felt that the amount owed should not be reduced given the precedent that has been set.

Motion that 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. Gilead seconded this. Motion passed unanimously.

Motion by Shelley to apply the new leak policy to the CCMA and Shelley will craft a letter to the CCMA explaining why this policy will be applied. Gilead seconded. Motion passed unanimously.

6. Discuss and approve meter installation at park to monitor usage and set up CCMA account to charge for this usage.

Motion by Gilead to waive all fees and have Julian install the meter and begin charging monthly. Second by Shelly. Approved unanimously.

7. Discuss and approve additional check signer to Gordon and Gilead since Robin Lutts' resignation.

Sid motioned to have Robin Lutts removed as a check signer and to have Shelly Ludwig become a check signer for CCWSC. Second by Gilead. Approved unanimously. The new check signers for the CCWSC will be as follows:

- *Gordon Swan*
- *Gilead Ziemba*
- *Shelly Ludwig*
- *Angelyn Price*

8. Office/Admin report (includes updates on well deeds, sales tax exempt status, new bill pay feature, CSI's pending, OSHA vests)

Angie provided update on the deed status. Property tax exemption is pending completion of the deed filings.

Angie confirmed CCWSC now has 501.c.12 status, which was needed to apply for sales tax exemption. CCWSC will need to apply for sales tax exemption of specific materials that we use for the system and Angie is waiting to hear back on this application. New bill pay feature is active to allow more secure payment of bills. CSI's are getting completed as available. OSHA vests were ordered and are here.

9. Review tariff regarding CSI requirements/approve changes of wording

Motion by Gilead to Table this item. Second by Shelly. Unanimously approved.

10. Discuss and approve the proposed generator service contract

Gilead made a motion to approved the generator service agreement by Austin Generator Service for semi-annual service of all four system emergency generators for cost of \$3620. Second by Shelly.

Unanimously approved.

11. Discuss and approve Well #5 pump changeout & approve cost of As-built

Motion by Sid to allow up to \$7000 for new well pump at Well #5 pending Gilead review of the pump curve to identify that the pump will provide capacity for greater than 500 connections. Shelly seconded.

Motion passed unanimously.

Motion by Shelly to approve \$1000 for as-builts for Well #5 by Gallegos Engineering. Second by Sid. Unanimously approved.

12. Discuss and approve optional rate increase

Gordon described the need to increase pumping capacity for TCEQ compliance. Gordon noted that our monthly operating expenses are about \$30K per month and that we are only selling about \$18K of water and are heavily reliant on growth.

No motions made. Discussion to continue at next meeting.

13. Discuss/approve Angie to TRWA conference for office staff, June 6-7, San Marcos

Motion by Sid to approve Angie's cost up to approximately \$400 for attending the conference. Second by Shelly. Unanimously approved.

14. Discuss Jerel's contract and pay

Sid motion to Table this until draft contract is ready for review. Second by Gilead. Unanimously approved.

15. Discuss contract status-Eddie Garza status/ Began Jan 14. Probationary over? Full-time?

Eddie's probationary status is over. His uniform includes the OSHA vests with logo and logo hat.

16. Discuss Julian pay in relation to IRA deductions per his request.

Gordon to approach Julian to discuss these HR matters.

17. Discuss handling of certain customer inquiries

Gordon noted that the tariff must be followed on all matters. If customer disputes any matter they can put it in writing and/or attend the Board meetings.

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.

19. Close and adjourn.

Motion to adjourn by Gilead, Second by Sid.

Meeting adjourned at 10:05pm

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

Gilead R. Ziemba
Secretary/Treasurer
Cypress Cove Water Supply Corp.