

## MINUTES

### Cypress Cove Water Supply Corporation Spring Branch, TX 78070

BOARD OF DIRECTORS MEETING September 11, 2019

1. Call to order and Open Meeting

*Called to order at 6:30pm. Board members present:*

<i>Director:</i>	<i>Gordon Swan</i>	<i>Gilead Ziemba</i>	<i>Walter (Sid) Jones</i>	<i>Shelly Ludwig</i>	<i>Mike Vorhis</i>
<i>Present:</i>	X	X*	X	X	
<i>Absent:</i>					X

*\*Gilead arrived late at 7:25pm.*

2. Invocation

*Sid provided the prayer.*

3. Review & Approve August 14 minutes

*Sid motioned, Shelly second, all vote YES. Gilead not present.*

4. Review financial reports

*Sid motioned to approved, Shelly second, all vote YES. Gilead not present.*

5. President's report

*Gordon noted that he will be getting quotes for drilling wells at North and Bob White station. Gilead asked that Gordon get quote for drilling at Ranch station as well to compare. Discussion about if planned Ranch station upgrades*

6. Water Operator's report

*Report provided by Gordon as operators were not present. Leaks down to 10% for second month in a row.*

7. Discuss & Approve CoBank Loan terms\_ Gordon & Gilead

*Discussed terms of loan including requirement to keep 1.1xDSC and requirement to wrap in the CCMA loan.*

8. Discuss & approve rate increase which satisfies CoBank's minimum of 1.10x Debt Service Coverage (DSC) test

*Motion by Sid to approve the proposed rate increase rates to those proposed (average of \$51.00 per meter per month) contingent upon information confirming that Co-Bank loan requirements would be satisfied by this increase. Should the proposed rate not meet the DSC of 1.1x, the rates will be re-evaluated to meet said ratio. Second by Gilead, all vote YES.*

*Gilead will confirm with Co-Bank that this increase will suffice for the 1.1x DSC requirement.*

*Angie is authorized to move forward to start the process to notify PUC about the proposed rate increase.*

9. Office/Admin report (status of street cuts & repairs, question of tap charges for extra drilling time, temp for disconnects on 9/27- Jerel out at 3:30p)

*Gordon will ask one of the operators to stay till 5PM on 9/27 to disconnect meters to cover for Jerel.*

10. Discuss status on brush removal for 2295 Tanglewood Tap- Gordon  
*Gordon confirmed this was already taken care of. The Builder had material and equipment on the ROW and he was informed he needed to remove it before the County arrived, and it was moved in time.*

11. Old business: discuss M&S Engineering status of mapping & modeling- Gilead  
*Gilead noted that we should continue to wait on M&S, but we will not pay bills until they adjust for the hours not supposed to be billed.*

12. 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.

*No public input.*

13. Set date for next meeting.  
*Oct. 9<sup>th</sup>, 2019*

14. Close and adjourn.  
*Meeting adjourned at 8:30pm*

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

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