

**BANDERA RIVER RANCH WATER SUPPLY CORPORATION
BOARD MEETING
AUGUST 17, 2017 2:00 P.M.**

DIRECTORS PRESENT WERE:

Bonnie Tidball Harry Maxwell Ernie DeWinne Joe DeHoyos Steve Malone

OTHERS IN ATTENDANCE:

Keith Jenkins Joe Ortega Barbara Maxwell

The meeting was called to order by President Bonnie Tidball at 2:00 P.M. August 17, 2017. Bonnie reported that Reed was planning to come to the meeting, however is unable to be here due to illness.

MINUTES: Directors read the Minutes of the meeting of July 20th, 2017.

MOTION: Ernie DeWinne made a motion to accept the minutes as written. The motion was seconded by Joe DeHoyos. The BOD voted unanimously to accept the Minutes.

TREASURER'S REPORT: Ernie DeWinne presented the July report. He reported that there was a small increase in Cash over the previous month. Receivables were up this month. Ernie commented that he had mislaid the postage meter readings and so, in the interest of time, he estimated the amount as \$100 as recorded. He will get the actual reading and make correction for next report. He noted that the company had a good month per the Balance Sheet. Sales have been about the same. There was one tap fee received. Salaries look a little high, but he attributes this to the month having 5 weeks in pay period, rather than 4 weeks as compared to last year. Utilities are up about \$400 over last year, due to pumping more this year, due to dry weather. Ernie commented that WSC shows a larger profit for June last year vs. this year at this time, due to labor and utilities. Steve Malone asked if the bill for the condo tank repair was included in this report? Bonnie and Ernie stated that that work will show in the August report. Ernie stated that he will be speaking with the Auditor about capitalizing that work, and so it would not be included in the Profit & Loss report.

MOTION: Steve Malone made a motion to accept the Treasurer's Report. Harry Maxwell seconded the motion. The Report was unanimously accepted by the BOD.

MEMBERSHIP COMMENTS: Members in attendance were asked whether they had any comments. Hearing none, the BOD continued.

OPERATION REPORTS:

Field Operations: Joe Ortega reported that there was 1 service leak; and 1 new tap at unit 5. Completed installation of 74 backflow preventers (vacuum breakers) at customer homes, which completed the list of everyone who signed up for them; still have 26 vacuum breakers on hand for future installation. We had the U.S. Underwater divers here to repair the Condo storage tank. Joe reported that he has the report from the divers on CD for BOD to look at. BOD decided to view the CD at the conclusion of the meeting. Joe reported that they also did some mowing. The signage and fire extinguishers were ordered and have been

obtained for improved road work safety for workers. We had one yearly sample taken and picked up at 181 Ranch Circle.

Ernie DeWinne asked how the road patch on Heinen is holding up. Joe said it seemed like it is holding up well. Bonnie Tidball agreed.

Joe also reported that WSC employee ID's have been received. Discussion held about the safety of the lanyard type of badge. Harry Maxwell stated that there is a break-away on the lanyard for safety. The office staff have a magnetic backed type, rather than the lanyard. Discussion re: the security issue with workers going out to residents' homes, so the ID's are a good thing.

Joe Ortega pointed out that the water loss was at 9.2%, and has never been that low before. When BRRWSC took over it was in the 40% range. Ernie DeWinne reviewed history from previous owner. Board discussed. 9% is the lowest water loss the company has ever had, indicating that the fixes that the BOD has been doing are making a difference in water loss. Bonnie Tidball asked Joe Ortega what the company goal is. Joe stated that the goal is 8%. Plan is to have the meters all calibrated next month.

Office Operations: Barbara Maxwell reported that office operations are going along well in Karen's absence. Disconnect notices will be going out on Friday, August 19th. Last week was very busy with receiving water bill payments. Bonnie asked if there was a report from Charlene Greenhill, but Barbara had not received it. Bonnie Tidball reported that the USDA VA (Vulnerability Assessment) as well as the Emergency Response Plan Report have been handled by Charlene Greenhill.

OLD BUSINESS:

PLANT #3 PROJECT UPDATE:

Ernie DeWinne reported that the acidizing ran into a problem, so it has not been completed. Joe Ortega reported that the electrician is here working on his installation today. Ernie reported that they are now awaiting the tank delivery/installation. The tank is ready to ship, but they will not have an installation crew available for 4-5 weeks.

Joe DeHoyos requested that the electrician remove the posts he has at the site. Joe Ortega reported that he and Reed met with the electrician this AM to advise of this.

Ernie DeWinne asked whether we have conduit run in the slab this time, since that was there original plan, but was not done in the first slab. Discussion re: assuring closer monitoring of the work when the new slab is poured. Steve Malone asked where will the power be provided from for the pump test. Per Reed, the 36-hour test will be done on the test pump.

CONDO PROJECT UPDATE:

-BOD reviewed that there are two projects for the Condo System: 1. repair of the leaking storage tank, and 2 replacement of the undersized bladder pressure tanks.

Ernie DeWinne reported that the pressure tank replacement is postponed until after completion of Plant #3, Well #5. Joe Ortega has discussed this with Reed, and Reed will handle it when ready to proceed.

Ernie reported that the cost of the condo storage tank project was approximately \$20,000, in response to question by Joe DeHoyos. Discussion among BOD regarding whether a different approach would have been less expensive on the tank repair. Decision was made based on the fact that no TCEQ approvals were needed to proceed in this manner re: the storage tank. Re: the TCEQ pressure tank violation of the three bladder tanks are undersized and would need to be replaced with/in 5 years. BOD had discussion about the drawing.

TCEQ CONFERENCE REPORT:

-Bonnie Tidball reported that the conference was worthwhile and that she learned a lot. The BOD changed the Drinking Water Report contact name to Bonnie Tidball, while at the conference. Steve Malone reported that he made good contacts, the vendors were good, and he also thought the State provided a lot of free informational materials. Harry Maxwell stated that an important concept the conference brought out was that water is tied to the economy of the State, and conservation of the water resources should be a message WSC gets out to the customers. All attendees thought it was a worthwhile conference.

EQUIPMENT:

-Bonnie Tidball stated that all the equipment and signage that was ordered has been received. Only thing outstanding is repair of one sign which Harry Maxwell will bring into San Antonio for repair.

UPDATE ON MAPPING OF MAINS & VALVES FOR DISTRIBUTION SYSTEM:

-Joe DeHoyos will be going into the SAWS office to get the maps made. Joe DeHoyos will then put the mains and valves on the map and have them made on mylar paper. Steve Malone offered to accompany Joe and charge it and submit the bill to the company.

Joe Ortega will take the maps to Hevenor to make copies.

UPDATE ON WELL #5 ACIDIZING:

-Bonnie Tidball reported that Reed and Marcus were here today. Joe Ortega then reported that the acidizing went wrong. Not sure why there was a problem. They put a camera down to look and it looked very clean. Reed plans to break the concrete up on Friday 8/18/17 (tomorrow), and then schedule re-pour of the concrete, placing the conduit in the fresh slab. Steve Malone stated that when the new slab is poured the breach needs to be sealed. BOD needs to have a known scope of work. The packer looked fine, but Reed will take it back to the shop and see what went wrong with it. Reed will also bring a water truck out and use the water to help clear it out. Ernie DeWinne suggested that Steve Malone to give Joe Ortega a list of concerns to review with Reed.

BOD discussed the field report which Reed gave Bonnie Tidball. The plan is to have the concrete removed tomorrow (Aug. 18,2017), see where the leak is happening, and then reacidize after that is done.

UPDATE ON VA & ER PLAN REQUIRED BY USDA:

-Bonnie Tidball reported that these are completed.

NEW BUSINESS:

DISCUSSION OF CCR REPORT WITH CUSTOMERS:

-Ernie DeWinne stated that the BOD needs to have Charlene Greenhill present for this discussion. The BOD decided to table this item until next meeting.

BOD COMMUNICATION ISSUE:

-Joe DeHoyos brought up an issue regarding timely communications among BOD members. BOD discussed and agreed that each BOD member take responsibility for notifying the entire BOD via email when something is going on, thus allowing each member to decide whether they need to be involved.

EMPLOYEE BENEFITS:

-Ernie DeWinne requested that we postpone discussion of employee benefits to next month's meeting. BOD agreed.

VIDEO:

Ernie DeWinne showed BOD video of the condo leak. Steve Malone asked Joe Ortega to ask Reed whether the acid can destroy a blockage at the ledge 384 feet down? Will the acid get past that area?

OTHER:

-Bonnie Tidball stated that she had a few items to discuss in Executive Session.

MOTION: Harry Maxwell made a motion to adjourn the meeting to Executive Session. Ernie DeWinne seconded the motion. The Board voted unanimously, and the meeting was adjourned at 3:20 PM.

BRRWSC President ó Bonnie Tidball _____

BRRWSC Secretary/Treasurer ó Ernie DeWinne _____