

BANDERA RIVER RANCH WATER SUPPLY CORPORATION
161 Broken Spur Cir, Bandera TX 78003
BOARD MEETING
June 12th, 2025, 6pm

DIRECTORS PRESENT WERE:

Vera M., Steve S., Tom C.

OTHERS IN ATTENDANCE WERE: Jeff Bolte,, Tammy Altvater, Susie Crews, Joan Hutchinson, Gary Albrecht

There being a quorum present, the meeting was called to order by Board President Vera M. at 6:49 PM, June 12th, 2025.

MINUTES: Directors read the Minutes of the previous meeting of May 8th, 2025. Corrections made to the May 8, 2025 minutes: under New Business change letter “c” to “b” and letter “d” to “c”.

Additionally, change:

MOTION: Steve S. made a motion to swap **.6** acre of plat 187726 (DRROA owned) for **.6** acre of plat 167103 (BRRWSC owned/park and mail center) and proceed to split the cost for a legal and proper survey and for the quick deed process with DRROA.

To read:

MOTION: Steve S. made a motion to swap **±.6** acre of plat 187726 (DRROA owned) for **±.6** acre of plat 167103 (BRRWSC owned/park and mail center) and proceed to split the cost for a legal and proper survey and for the quick deed process with DRROA.

MOTION: Steve S. made a motion to accept the Minutes of the meeting of May 8th, 2025 with the changes, and Tom C. seconded the motion. The Board voted unanimously to accept the Minutes, and the motion passed unanimously.

PRESIDENT’S REPORT:

During the month of May:

1. Throughout the month Jason Smith, Steve Sander and myself continued to finalize all required documentation needed to clear Docket 2023 and Docket 2024 off the books due May 11th.

As of June 4th, 2025, TCEQ has confirmed that our last violation would be put in to be cleared off Docket 2023. Our team has made phenomenal progress and I’d really like to thank and commend our team for their diligence and hard work.

2. All bank signature cards have been updated with current board members. 4 accounts from Texas Partners Bank and 2 accounts from Bandera Bank. Both banks have been provided with minutes and corporate resolutions to get our

Bank Signature Cards updated. Thank you to Treasurer, Tom Cook for helping me get this done in a timely manner.

3. Communicated with the Brad Dower CPA offices to get a meeting time coordinated with our offices. Meeting date was May 29th, 2025 Lorina Munoz and Josh Wagner to come and review QB desktop with office manager and meet with President and Treasurer regarding our Records Retention Schedule. The review indicated that we have several deficiencies which we are working to correct. We have four or five accounts which have not been reconciled in our known history.
4. Communicated throughout the month with our members by providing periodic updates using Call Multiplier and the BRRWSC Website

TREASURER'S REPORT: (I use numbers rounded to \$100)

The budget to actual profit and loss statements show that we are tracking close to what we would expect. Operating income is down about \$300. Expenses are also down for Office Operations about \$880. Field Operations are under budget by \$5,700 partly because of a \$2,900 insurance reimbursement. Contract Services is over budget by \$1,700, but this is being balanced out by the areas where we are under budget. Net Income is roughly twice what we anticipated.

Vera credited Jeff with his diligence in collecting late fees. A brief discussion ensued about why we had such an accumulation of late fees and how that is being addressed through mailing out notices and phone calls.

Our office manager, Jeff Bolte, has reduced our past due list from 34 to 20 customers. Good work Jeff! And, he has 12 more targeted for next month.

Cash Flow report: Shows our adjustments from the income statement to what our actual cash position is. Our net income year-to-date is \$38,500. Cash provided by operations \$15,300. Cash used in financing \$18,100 for net decrease in our cash balance of \$2,800 YTD.

A question was asked about the DRROA accounts receivable balance of \$95,000. Neither Jeff nor Tom could answer. So, we will investigate for next month.

Tom made a comment that we should create a capital budget for things such as the new storage tank and office building. We will revisit that later when appropriate.

MOTION: Steve S. made a motion to accept the Treasurer's report for June 2025, and Tom C. seconded the motion. The Board voted unanimously to accept the Treasurer's report, and the motion passed unanimously.

OPERATIONS REPORTS:

Class C Licensed Operator/Field Operations:

Production: (in gallons)	
Lantana	1,198,073
Riverview	391,012
Oak Bridge	21,357
Perennial	294,744

Oak Bridge is kind of an oddity. We haven't quite figured out what's going on. 21,357. That's low, right, extremely low.

Additionally, Perennial's 294,744 is unusually high. So, this will require investigation to determine if there is a valve configuration issue. There is also the possibility that they (Perennial) have refilled a swimming pool to cause such a large use of water. Steve suggested that Perennial ought to let us know if they are going to use an exceptional amount of water. Vera commented that the HOA should as well.

Steve S. also suggested that we send out reminder notices to our members about our Stage IV water restrictions. He made us aware that the Edwards aquifer authority has already moved into stage V restrictions. They have received parts to repair the mower and will begin some facilities maintenance and cleanup. We repaired a major leak on Riverview and did associated road work there and on Fawn where we've worked previously.

The last two service connections have been installed. They were left in the off position.

Vera M. found as a comparison Perennial's March usage was 64,181 compared to May's usage of 294,744. Steve repeated that it sounds like they filled a pool.

Steve S. reports that they are outfitting our truck with solar panels and an extra battery to provide a means of running lights and charging tool batteries as required as they have had challenges doing this without draining the truck battery. This will enable them to work and provide lighting without dragging a generator out to the work site. Additionally, they will be leaving a trickle charger on the truck to ensure adequate power as needed.

We are in the process of notifying folks of the restrictions against improper water use. We have become aware that it is possible to place flow restricting devices on the connections of members who violate water restrictions as defined in the tariff.

Steve S. has been talking with other operators who surcharge customers when they exceed an average household use. This will be addressed as part of the new tariff.

Several people have noticed houses in the subdivision watering their lawns which is not allowed during stage IV water restrictions.

Office Operations:

Jeff Bolte reported that he has 12 accounts with large balances which he is targeting for collection during June. His process is to find the customer in question. He makes a phone call to find out why they aren't paying. Some accounts had the bills going to the previous owners. He has been able to collect as houses went through the sale process by having the title company collect.

Jeff B. reported problems with PSN billing customers twice. He is unsure as to what role he should play in this. PSN, Jeff B. reports, has not been very effective in resolving problems our customers are experiencing. Vera M. will reach out to Cielo Rio and Yancey Water Supply to inquire about the billing systems they use. Vera M. is not happy with the amount of manual work required to accomplish the monthly billing and payment acceptance. Jeff said that we have customers who haven't received their bills. He mails them copies of those bills as necessary. He has trouble making contact with PSN.

Unfinished Business:

- a. TCEQ update: We had one pending violation from the 2023 docket. She stated that she is going to go ahead and close it. That was on the backflow prevention. We didn't actually have a violation. They just didn't believe the numbers we reported. After verifying the numbers repeatedly they have agreed to close the item. We are awaiting a confirmation email from them. This is the last outstanding item with TCEQ. The bottom line was that TCEQ found a deficiency and used that opening to investigate things which were not deficient yet BRRWSC had to prove that those were within specifications to people who weren't really qualified to determine whether they were within guidelines or not. This created an enormous amount of work which kept us from doing the job we are supposed to do. We will strive to prevent this situation recurring by continuing to meet our reporting deadlines, maintaining accurate records and reporting them in a timely manner.

- b. Tariff Review Committee:
Due to Rod Goff's personal concerns, Vera asked Tom C. to join the Tariff Review Committee and provided him with the new proposed tariff. We will have an informal meeting to review the proposal July 1st. Vera M. will coordinate a date for that. Then we can forward the result to Rod G. for his input. Our goal is to have the new tariff with updated rate structure (as needed) in place for this fall.

- c. CPA/IRS Update:
We had a May 29th meeting, Josh Wagner and Lorena Munoz came, and basically the purpose of the visit was to review the original accounting records. Based on previous notes, the primary accounts had not been reconciled since 2021. During the

visit, we were able to access their accounting system and fully reconcile the accounts from 2021 through December 31st, 2024. Per Jeff's request, we are planning to complete the 2025 reconciliation as well.

Again, this is from Lorena Munoz May 29th meeting. Additionally, we added the new Texas Partner credit card to the books and reviewed the setup with Jeff so that he can begin reconciling the account going forward in 2025. Because the Capital One card was never reflected in our accounting system, so we have to cancel that. We had no control over that card that was under Mr Dewinne, our previous Treasurer's control, and we had to cancel that. While on site, Jeff was in the process of renewing the QuickBooks desktop subscription. Which is approximately \$1,200 annually. We were presented with alternatives. Which are potentially more cost effective. If we go Quickbooks online instead of \$1,200 we're paying annually for the desktop version, the online version in January 2026 will be \$80 dollars per year to do the online version. If we have any problems, they can access it remotely and help us through any issues. So, we are going to bring them back in November.

They did give us a summary last meeting. I did reflect it in the meeting minutes. Our operating account hadn't been reconciled since July 2023. Our money market investment had never been reconciled, or Bandera Bank CD had never been reconciled. The last transaction entered was April 14, 2023, our USDA loan also had no reconciliation. Our Capital One credit card had not been currently reflected in the accounting system. We have a new office manager with accounting and bookkeeping experience. So, with cleaning house, and making changes to the board, BRRWSC will see improvements in their accounting.

We have taken care of workman's comp fees etc. They (CPA firm) took care of it. Jeff and I, when he first got here, we found a lot of outstanding IRS bills that hadn't been paid from November 2024, December 2024, old fines that we got that were sent to us in January of 2025, so when we hired Jeff B., I had set up a meeting with a CPA. We gave the bills, and we had to sign a power of attorney, for them to, to negotiate on our behalf with the IRS, those fees. So we've worked really hard. It's not been perfect, but we are working hard on your behalf.

A question was asked if the board knew what the issues were and how bad they were. Steve S. responded "Not until we started peeling back the onion, you know, once you grab the outer layer and just keep going and you find it all."

A question was asked about the CPA's review if they were finding anything wrong, and we have not been made aware of any major discrepancies at this time.

Just to reiterate the report included in May's minutes: THCB Operating Account, Money Market Investment, Bandera Bank CD, Bandera Bank MN, USDA and Capital One Credit Card accounts have not been maintained or reconciled since 2023. Our office manager is currently working through this backlog.

d. Resolution 25-1 Update:

The 180th day for required review, as per the resolution, is August 19th. So I think we need to revisit the resolution number 25-1 in the July board meeting.

e. Stage IV Water Restrictions Review:

The reason I put a review is we're having a couple of neighbors that are watering, and they probably shouldn't be. We have a lot of new people that have moved into the neighborhood. It used to be that we would send out a notice every 90 days, and then last year, we made the motion to remain in Stage IV water restrictions until further notice. It would be good to put out a letter to the customers, reminding them that we are in Stage IV water restrictions at least right before summer. We also should put it out on call multiplier for our customers to please review the restrictions of Stage IV. Steve suggested that we could also include that in our welcome package and or if you're going to sign up for a meter or you're going to assume a meter that it should be put in their membership package. So we need to create a membership package.

MOTION:

Steve S. moved that we send out an annual call multiplier and mail reminder of Stage IV. Additionally, to include it in a new member welcome packet for new members which is to be developed. Tom C. seconded the motion. No further discussion, motion passed unanimously.

Suggestion that we use call multiplier to remind customers quarterly of our water restriction status.

New Business:

a. **Infrastructure/Property Acquisition Update**

Vera M. reported that she had wanted to email the members of the HOA board about our proposal to swap properties in order that we may build an office next to the Oak Bridge plant, but needed to review the motion from the previous meeting. Steve S. mentioned that he had spoken with those three (Carlos Cordell, John Schuetze and Remington Bratton) about this property swap. We have also attempted coordination with those folks about putting up a wall upstairs to separate our workspace which may no longer be required as the former property manager (who precipitated the need for separation) had quit that job. Steve S. met with the HOA board in their executive session and presented the proposals. Steve S. informed them

that when they approved it, he would take over the work needed to get the properties transferred. The proposal was to split costs of filings and related fees between BRRHOA and BRRWSC. Steve would like to move forward with this process as the costs of building materials and supplies are rising. We will need to have BEC put in a meter loop, and get Jason licensed to do the septic work.

The other piece of the infrastructure. We've replaced sections of line recently, and we have most of the couplers and equipment.

The last piece would be the tank installation, and that would be dependent upon our engineering. What engineering certs look like on those if we're having more of an influx of folks building. In an area that's going to utilize this water facility versus that water facility, we will look at our historical water usage. As well as our different service entrances. We're using different materials. We're using different couplers than what we did in the past to prevent the leaks that we've seen from some of these previous repairs that we've had. 98% for sure is going to go in Oak Bridge, and we will have to back feed part of the system. So we would have to look at it from an engineering perspective to see what pumps we would need. I kind of alluded to some meetings in the past when I talked about the pumps that we had at Oakbridge and why they were so expensive and what they were and who designed that and why they did it the way they did it. I'm looking for more of an off-the-shelf type of pump to cut our future cost versus these one-off pumps that do a very specific job. We do need to look at replacing a tank regardless of the upgrade, but we do need to look at replacing the 50,000 gallon tank at Lantana at some point because it's aging.

There's another tank that we need to start looking at potentially to repurpose or re-plumb because the big tank there could potentially hold the the value of what's there. I'm not 100% certain of how it's actually plumbed into our infrastructure. The tank is being fed off of two wells at Lantana. One is feeding one tank. One is feeding the other tank. The well production dictates that they should have been swapped. One well is producing more, and it should have been on the big tank. And that's not the way it is. So, what we're having to do is shut the valve off, fill the big tank, backfill the little tank. It's something that we need to look at when we look at replacing the tank and or adding another tank to the infrastructure. Once we have our potential storage that will definitely affect our potential of getting off of Stage IV because we will see our usages. We will see our usage capacity increase and the reason that they will increase is because we're not constantly filling a tank. If water is being pumped out of the ground as fast as people are using it, I can't meet the state's regulatory storage requirements and I can't meet the future demands. The Stage IV issue is not a water availability issue. It is a system capacity issue.

b. Bank Accounts Update

I just needed to let the board know that all of our bank accounts at Texas partner Bank and the two at Bandera Bank have updated signature cards.

c. Software Recommendations

Brad Dower's office mentioned Gusto (a software package for managing payroll tax filings) A lengthy discussion ensued which ended with this item being tabled.

Changing to Quickbooks Online (which was discussed earlier), we will be bringing our CPA firm back in November to begin the process of system migration and training for Jeff B.

MOTION:

Steve S. moved that we move from Quickbooks desktop to QuickBooks online based on the recommendation from the CPA in the timeline that says on the recommendation.

Seconded by Tom C., no further discussion, approved unanimously.

Membership Comments:

Joan Hutchinson asked if we could invite a commissioner to explain what is being done by other governmental authorities to incentivize compliance with water conservation measures as it seems that in other areas in the county water is not being conserved. There appears to be a good deal of wasteful water use.

Vera M. said Bandera County Groundwater and River Authority District (BCGRAD) has published articles about this and that they were probably available on their website.

Additionally, the precinct one (our precinct) representative is John Bennedict.

Executive Session:

Entered at 9:12P Exited at 9:32P we discussed personnel items and no motions were made.

Adjournment:

MOTION:

Steve S. moved to adjourn. Tom C. seconded. Unanimous agreement to adjourn at 9:34P.

The next regular board meeting will be held on Thursday, July 10th, 2025 at 6 p.m.

BRRWSC President,

Vera Mendoza _____

BRRWSC Treasurer/Secretary,

Martin Tom Cook _____