

BANDERA RIVER RANCH WATER SUPPLY CORPORATION
161 Broken Spur Cir, Bandera TX 78003
BOARD MEETING
July 10, 2025 6:05 P.M.

DIRECTORS PRESENT WERE:

Vera Mendoza, Dave Kelly, Steve Sander and Tom Cook

OTHERS IN ATTENDANCE WERE:

Gary Albrecht, Nancy Butler, John Wilkens, Joan Hutchinson and Tammy Altvater

There being a quorum present, the meeting was called to order by Board President Vera M. at 6:09 PM.

MINUTES: Jeff B. questioned the portion relating to workman's comp fees having been included in the minutes. It was agreed to remove that line.

MOTION: Dave K. moved to accept the minutes as corrected. Tom C. seconded. The motion passed unanimously.

PRESIDENT'S REPORT:

Vera M.:

1. TCEQ – Reviewed and corresponded with TCEQ staff and Operator regarding items pending for TCEQ. - As of June 4th, 2025, TCEQ did confirm that our last violation for Docket 2023 would be put in to be cleared off our records. We have not received an email confirming this. On July 2, 2025, we did receive a confirmation email for Docket No. 2024-0973 confirming that our case has been closed. On June 30, 2025 – Jason Smith submitted the Consumer Confidence Report, due July 1, 2025. They have been printed and posted and will be put on the website soon.
2. Stage IV Critical Water Use Restrictions Notification - These were mailed out on 07/09/2025 with the help of me, Tom and 2 volunteers - our spouses. The last notification went out on July 12, 2024. There was a delay in mailing them out. The Customer Labels had not been updated for 2 years and with the extensive help of Mr. Bolte, I was finally able to update the Customer Label files. We also had to do a little research on the desktop to find last year's notification (July 12, 2024), and we also searched and found the Watering Restriction Violation letter that would be sent to any customer in violation of Stage IV Restrictions.
3. USDA Loans – May 28th, 2025, Tom C. and I reviewed the USDA Loans and were able to find information on three of the four loans. The original loan information for Loan #3 is currently missing. In further research, I was able to find the Annual Statement for Loan #3. By reviewing the loans, we were able to find the Principal Amounts, Term, Rate, Monthly Reserve (except #3 loan), Balance, and Purpose for the loans. I made several calls to the USDA Loan offices in May, June and in July to get an amortization schedule for our loans (to ensure proper accounting for our records and the life of the loans). July 2nd, I was informed by the USDA service center in Seguin, TX that our home office was closed and that they did not currently know who would be taking over our home office and would need to call me back. They have not returned my call yet.
4. CPA - Based on the May 29th, 2025 meeting with CPA Josh Wagner from Brad Dower's office on May 29th, 2025, and by following the Record Retention Schedule he provided, Tom C. and I met throughout the month to purge some of BRRWSC's outdated/unnecessary paperwork and they will be sent for shredding.
5. TARIFF Committee Meeting – On July 8, 2025, the committee met to discuss the adoption of a new Tariff for BRRWSC. The committee discussed comparisons, additions/subtractions of content, and

rate schedules with regards to our current tariff and the proposed tariff. Vera M. will edit the proposed Tariff based on these discussions and present the board with the edited version for preview before making the decision to adopt it.

6. TRWA – Texas Rural Water Association Conference – Will be attending and taking the Water Utility Management Training Course from July 14-16 in Galveston, TX Monday 8-5pm Tuesday 8-5pm Wednesday 8-12 pm

7. Communicated throughout the month with our members by providing periodic updates using Call Multiplier and the BRRWSC Website

TREASURER’S REPORT: (numbers rounded)

Tom C.: Question from last month regarding DRRHOA accounts receivable which had a \$95 credit balance, this was a left over from an entry which had not been set up to, monthly, move that balance into the correct account. Jeff B. has taken care of that balance and it is now accurately reflected.

Profit & Loss Budget vs. Actual looking at our net income (last item on the report) we see that our net income (NI) was \$12k where the budget was only \$4,900 which means our NI was \$7k over our budget. The majority of that is our total expenses being \$6,200 under budget. Now, \$2,300 of this is our interest expense which has been applied to our loans rather than to the expense. Field Operations is under budget as well. Our operating income is \$1,500 over budget which explains the large income.

Statement of Cash Flows looks more reasonable this month due to Jeff straightening out that DRROA accounts receivable credit balance we spoke of earlier. We see that our cash increase for the period was \$6,698 which will help us cover the cost of the new replacement pump. The balance sheet shows that we are in good shape. Our bank accounts haven’t been reconciled yet. They have been brought up to January 2025. Tom C. checked our balances with the banks and we have about \$12k more than what we show here.

MOTION: Steve S. moved to accept the treasurer’s report. Dave K. seconded, and it passed unanimously.

OPERATIONS REPORTS:

Class C Licensed Operator/Field Operations:

Steve S.: Today we had a pump failure today. Required pulling roughly 400’ of pipe plus wire, pump and control box. The American Water Well crew accomplished this in about four hours.

Equipment cost ~ \$3,626. This will give us a total cost of \$6k-\$8k with labor etc.

Jason figured out how to cross tie the system which kept us out of a boil water notice situation. We were able to push water from the Lantana plant. It will take about 24 hours for the tank to refill.

We needed to access well records immediately this morning to provide information to the well company this morning. Putting a point on the need to always have our records available. The pump replaced had been in service since 2021.

Steve S. went on to explain that the spare pump we have on hand is a distribution pump which pumps water from the tank(s) to the customers. The pump we replaced today is a production pump which lifts the water out of the ground into the tank(s).

Repairs: We installed service at 639 Old Camp. We did a six inch repair on Sunset and then a small repair on Mesquite, another small.

Mr. Rondeau, 639 Old Camp, was advised that Jason could come out for an inspection when they were ready for that. Steve S. said that the service remains off. The meter box has been damaged by the construction crew.

Steve S. touched briefly on the road repairs and stated that they were looking to do a patch on Mesquite and then also on River Ranch. There’s an open hole on River Ranch. The reason that River Ranch is still open is because that service has to be replaced and when he replaces the service, he’s going to have to tear it up. That will be readdressed now that we have the pump replacement handled. We have one more meter installation to do on Old Camp once construction is at an appropriate stage of completion.

Production: (in gallons)	
Lantana	1,070,139
Riverview	379,841
Oak Bridge	12,956
Perennial	120,334

Steve S. and Vera M. expressed concern at the high amount pumped to Perennial. Steve S. referred to a loss we have been trying to track down which is better this month, and that we have found an unregistered meter at 140 River Ranch Drive. It was reported as a leak. It isn't in our system. We will find the corporation stop or where it touches our main and cap it there, as it isn't in our system and hasn't been transferred to a Kamstrup meter. Vera M. wanted to get back to the Perennial usage. Last month their usage was 294k gallons. Dave K. said that his wife has the number for the manager at Perennial. Dave K. said he would get the number for Vera M. who would contact that manager to ask her about why their usage has increased so much as usage used to be 80k.

Office Operations:

Jeff B.: The money market balance is only \$68 difference between the balance sheet and the bank balance. We are still trying to get the accumulated depreciation from the CPA's office. They told us we would get that once they've filed the 990, but they filed an extension for that. So, we still can't update our accumulated depreciation amount for our balance sheet. DRRHOA still owes us \$1,500 from two September invoices that were billed but never collected. The meter postage meter hadn't been brought up to date since August of 24. I brought that up to date. That's another. 925 dollars, so they're into it for about fifteen hundred dollars now. I brought that to Stephanie's attention, and she said that one was paid. I said I need to see a cancelled check. She couldn't produce it, she said. She didn't know how to produce it. She couldn't go into the account. John Schuetze was in this week, and he went to the bank account, and he actually talked to the bank who said the check hasn't been cashed. So, I will work on getting that money. There is also an account, Accounts Receivable Other, which has a \$900 balance from June 21, 2021 for reinstall brick pavers for 1385 and 1343 and 1317 Kings Ranch Road at \$750 and another one from November 1st, 2021 that is for \$150 for a broken curb stop. I have no idea whether they paid these, but they're showing as open in my books. They are from Continental Homes of Texas. We will contact them to see if they can produce cancelled checks for that and figure out where the money went. We have many issues with our accounts such as postage. We have a postage expense of \$200 or \$300 but have put \$2,000 into the postage machine this year. We have another prepaid account which appears to be TCEQ related with a balance of \$2,124. I will continue to research this. One other item, again I haven't researched is what we owe TCEQ for the sales tax we collect on from the water. The last time it was zeroed out was January of 23. I don't see any payments made since then. It's a sales tax we charge on the water. It may be that they are taking money out of the account without notifying us like Capitol One did. We have another account, Accrued Interest Payable. I have no idea what that is. We don't accrue interest. We pay it. I found a couple of old invoices from 2022 for cell phone and fuel. The HOA has not been billing us for fuel or rent for two or three months. I will start working four days a week next week. I would like to have office hours published for just Tuesday and Thursday until I get caught up. I will be off on Wednesday.

Unfinished Business:

- a. TCEQ Update -

Vera M.: As of June 4, 2025, TCEQ did confirm that our last violation for

docket 2023 would be cleared off the records. However, for our docket 2023, we have not received an email confirming this. On July 2nd, 2025 docket number 2024, we did receive an email clearing that off our records.

On June 30th, Jason Smith, submitted the Consumer Confidence Report, which was due July 1st, and as far as he knows, and I know nothing's gotten kicked back. So we posted it. I will be posting it on the website because that is required. We have it at the mail centers, and we have it here at the office. If we get an email for docket 2023, I will report on that.

b. Software Recommendations -

Vera M. : The CPA recommended that we use a software service called Gusto. It's a full service payroll. They charge \$49 per month plus \$6 per employee, and they can do contractors with 1099 filing. Jason S. (Class C operator) said he could deal with receiving direct deposit. Jeff B. said he is comfortable using the Gusto service.

MOTION: Tom C. moved that we adopt the Gusto payroll system. Dave Kelly seconded. Tom C. pointed out that we will be saving \$100 per month in software costs when we switch to Quickbooks Online which we can use to pay for the Gusto service at \$61 per month. Passed unanimously.

c. Tariff Review Committee:

Vera M.: The tariff is in the editing phase. BRRWSC Tariff Review Committee met July 8, 2025 to discuss the adoption of the new tariff for BRRWSC. We discussed comparisons, addition, subtractions of content, rate schedules with regards to our current tariff and the proposed tariff. Based on those discussions, it is in the editing phase, and we will present the edited version for the board to review before making the decision to adopt it.

d. Infrastructure & Property Acquisition Update:

Vera M.: Yesterday, I made a request for an update from the HOA stating that on May 8th, the board made a motion to approve the swap. I named the plot, + or - the 0.6 acres and that we would like to move forward with the item as soon as possible and to please let us know if there's any additional information needed. I received a response from Carlos Cordell, HOA president on behalf of the HOA board that the motion that was passed at the May HOA board meeting approving the proposal from the BRRWSC for the lot swap. However, the motion also allows the HOA board to opt out of the proposal at any time at their discretion. My concern with that statement is that there are no minutes to any of these board meetings. **Steve S.:** You had actually two requests for them. One was regarding the proposal that we approved the motion for the land swap and what we approved for the wall upstairs. HOA did not address that in the email. Nothing that we have presented to the HOA has been met in any type of way. **Vera M.:** It's been several months and, the reason I held off was because when we made the motion, Steve took time out of his schedule to attend the board meeting and give them additional information. We thought that that was sufficient to get a request, or an update from them, and we haven't heard back from them for two months. Now, as of last night's meeting, they decided that they received important information that could significantly impact this proposal. As a result, they will conduct further research before proceeding and that they would keep us informed of their findings. But Steve is correct. I did request an update as we had agreed to split the cost of putting in a wall upstairs.

Steve S: Jason actually happens to be a Wastewater operator for minimum cost. He can get a license that will allow us to install our own septic system for a new facility. With that, he understands what the requirement is for a septic system in any lateral lines is a minimum of 150 feet. From a public water supply well. We would go above and beyond that and meet the safety barrier, and anything else that would be required for a commercial space. We've seen no response from the HOA to move in any direction to grow, or to move in a positive way. So, I

looked at the property that we currently own, which includes the playground and the mail center and instead of just swapping the 0.6 acres I would like to make a motion to either have them move; or we move ourselves, the mail center that's on our property and the playground. It should meet the 150 foot requirement and that would save us any type of replat fee. It would save us money and hassle. The cost of concrete and materials has risen twice in the time frame that I have made this proposal to our board.

We are not a for-profit company, so it's not like we can adjust anything to compensate. For that, we approved a budget and we're either there or we're not. If you look at the the boundaries that the CAD has posted, the mail center is not even on our property. **Steve S:** Well, it will be because the intent is to use that driveway that we own to access our new building. **Dave K:** So, you're going to want to sell you that lot. Whoever owns that. Then the price is going to go way up **Steve S:** I saw an email in here from another property owner that was handled as well.

MOTION: SteveS made a motion to have the lot surveyed correctly so that we can have a solid survey to move forward with building on that lot, and abandon any negotiation or discussion with the HOA, and abandon the property swap motion from the May 8, 2025 meeting. Tom C. seconded the motion.

Discussion: Vera M: We have got a motion on the table. Hold on. Um, so Steve's motion is to have the lot surveyed. Is that basic? **Steve S:** That's it. Just the survey to show me, like, stake it out, show me where the corners would show me the boundaries, right? So that we know what, what it is that we own? That way, Jason and I could go in and ensure that we have the 150 feet. Which I'm positive we do. **Vera M:** That's going to be what 300 bucks 400? **Steve S:** So the further discussion that I will add to your point, which I've heard already. Today, they have 0.6 Acres right behind where the current mail center is, if they want to move that off if it. In fact, it is theirs. They are more than welcome to put it on their 0.6 Acres that they own. So they own that 0.6 acres that we were going to negotiate with them, and instead of negotiating, we just have them move their stuff. So that we can do what we need to do. I just would like to move forward with this project. So, we can at least stay close to what we had set in it. Well aside from that, we are moving in the direction of growth, regardless of what happens with the HOA. &&We are two separate entities. It is difficult to exist in this space, and not only Jeff, but our board members, our membership, and our operator, that is professional, enables them to grow and work and do the things that we do all day, every day. And having that will alleviate our office manager from the co-mingling of HOA business. So, rather than do that and pay for the loss of what we've already set in a budget in a deficit, if you will, the cost of the materials as it's gone up twice since I put this together. That's kind of the point.

Vera M: Called for a vote. The motion was passed unanimously.

Vera M: Apologized for not getting the bids for asphalt. She will be reaching out to contractors in Bandera and Boerne

Steve S: Asked where they are on their budget as they are preparing to order supplies and would like to remain within the budget.

New Business:

a. Drought Contingency Plan Review

Vera M: [Distributes current drought map] The effective date of the current tariff that we are currently on was dated June 13, 2022. The purpose of the drought contingency plan is to encourage customer conservation in order to maintain supply, storage, pressure, etc. I feel it's owed a discussion. What circumstances contribute to our current state at BRRWSC? I see it as twofold, a Statewide extreme drought, and BRRWSC's current storage capacity, which has led to non-essential water usage. Typically, this was reviewed every 60 days now. We did send out a notice that says, until further notice, and we also have the call multiplier online, which can help. I think we had made a motion to

let our customers know instead of once a year with Call Multiplier, we're going to do it up to four times a year to remind customers where we're at under the Bandera County River Water River Authority and Groundwater District website. I did make you a copy of the drought management. They provide a weekly report, and customers can pull this up. You can go to the Bandera County River Authority and groundwater District. You can go under drought management and print this weekly report. We had a lot of rain this week we're still considered in a drought. The County's primary foundation, of course is to look at aquifer levels. I think we fall under the Trinity aquifer. And even if they were to back off restrictions, they do not have a storage issue as we do. So, that's what customers need to understand that even if our water levels look great, we still need to deal with, as a corporation, our water storage. So, my questions are: what is BRRWSC's process for drought management? What is our general path to go from stage IV to stage III? And, who actively monitors? Is this our License C operator and VP operations? Our current tariff is posted on our website, but those are questions that we should have answers to.

Steve S: There's two pieces to this. There's the production piece. There's the storage piece. Well 4 is going to do what, well four does and that is filling the largest tank that we have. If I can't fill that tank, then, I can't treat that tank, and I can't push that water out to our customers. Take for instance today. We had 50 000 gallons at another site that was gone overnight, and it was not gone because of a leak. It was gone because of usage. What we produce and what we're capable of producing, are one of the things that triggered this. Our operator takes daily readings. of meters, as well as the chlorination. He would be the first trigger to say, Hey, we're doing good. The board needs to hear this, and then that would come to the board and we would make a motion to move from one stage to the next. That's why, sometimes I would like him here in addition to. He is well aware that we're in stage IV; and to be honest, it would make his job immensely easier if we were not in stage four. Because of the conservation that we do on those tanks, it makes it difficult to treat it correctly. Based on how chlorine chemicals work. So, he's all about it.

When you look at what we're trying to do with the Tariff as a whole and moving towards an expansion to get more storage to be able to provide for not only the growth, but the current customers. Take, for instance, somebody that waters their grass. That average system is going to use five to ten thousand gallons. That's between the average monthly usage for an entire household. So, if we can produce that, and if the wells will produce that, then absolutely, let's come out of it. It's the number of connections, but it's also the storage capacity. We can produce it. If we had infinite storage, we could easily come off of stage IV. **Vera M:** We need to review at least once a year. I don't know if it'd be helpful if I even provide it once a month. This is not going to make a difference until we expand our storage. **Steve S:** If I can pump more gallons per minute out of a hole, that means I can produce more, which means I can use what's in that tank faster, which means I can come off of stage IV but the only thing that's going to alleviate that aside from this would be larger storage capacity. **Vera M:** I wanted to discuss this because there is a misconception. Notices just went out and we as a board will probably have customers say that we had all that water why are we still on stage IV, but we need to be educated in the situation that we are in. It's a two-fold issue that we're dealing with. We're dealing with a statewide drought and storage capacity. **Tom C:** One of the things that puzzled me when I first got into this tariff was that it seems like we're trying to manage a drought, but that's not the problem. The problem is our system capacity. We don't have the storage tanks to supply what TCEQ says, we need to have. **Vera M:** Which triggered the Resolution - 25 **Tom C:** That's the kind of stop gap measure to keep us from going deeper into the hole. The problem is that we can't get enough water above ground to support all the people. **Dave K:** You mentioned that but all of our wells are not in Trinity. **Steve S:** I think we've only got one we've only got. I think one or two maybe three of them are in the Trinity. I thought they all worked. No,

which one? Well, four is in Cow Creek. Break it, and well four is the one that's providing water to the biggest storage tank we have.

Dave K: Does Jason know? I don't know whether he has the capability. Does he know if it's coming from the Cow Creek or the Trinity? **Steve S:** Yes, based on where the well is, absolutely. **Dave K:** Trinity is no problem, but the Cow Creek has always been. **Steve S:** It's always been a problem, but I can tell you today. He had to do a static test on the well at River View. Because the knee jerk was that when he looked at the panel, it said that there was a flow fault on the pump meaning no water, but that was not the case. It was the bearings that were shot, and luckily, he's a water operator, right? So, we called the pump guys that can look at the readings that they're seeing and basically. X-Ray vision 400 and some odd feet down. And diagnose this thing from above the hole and thank God they did it because it saved us a whole lot of heartache, but it goes to show that the water level at Riverview. Is where it should be. We're able to produce it. It's adequate. We can't store enough of it. **Vera M:** I just want to have a cohesive message with the board because these are going to arrive in customer mailboxes this weekend. We need to cover this at least once a year and, and if you haven't read our contingency plan as a board member, please get on the website and review the tariff until we adopt the new one.

b. USDA Loans -

Vera M.: On May 28th, Tom and I reviewed the USDA loans. We did find information on three of the four loans, the original loan information for loan number three is currently missing. We don't know why I'm still going to do some more research in the bins upstairs. I mean, the original loan information signature and all is missing. In further research, I was able to find the annual statement for all loans from January 2025. By reviewing the loans, we were able to find the principal amounts, the term, the rate, monthly reserve balance and purpose of the loans, except for loan number three.

We have a lot of missing information and we still don't know what the purpose of loan number three was because we don't have the original loan information. That's why we were trying to contact the USDA offices. I made several calls to USDA loan offices in May and June to get a loan amortization schedule. I finally got a hold of someone July 2nd, and they informed me that the USDA service center in Seguin. They informed me that our home office was closed. There were lots of resignations and firings going on currently under the USDA, and they didn't know who was taking over. They didn't know who our new contact person would be for our own home offices, and they still haven't called me back. We had been discussing USDA loans since January of 2024. I put together a chart. I'll go ahead and email the entire board. I don't know why [it was taken out]. I can ask Rod, but I, as of right now, I cannot find original paperwork. I'm still going to do some more research in the bins upstairs.

Membership comments:

Mr. John Wilkins: Just wanted to thank you and the board for your professionalism for staying on top of it because I was at the HOA meeting, you know, on Tuesday.

Joan Hutchinson: I am so impressed. I literally am so impressed. I'm telling you. You know, I've lived here for 14 years, and I've sat through a lot of things. You all have about a 250 percent better grasp of what's going on than your predecessors because y'all give a damn.

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, August 14th, 2025 at 6 P.M.

BRRWSC President,

Vera Mendoza_____

BRRWSC Treasurer/Secretary,

Martin (Tom) Cook_____