

**BANDERA RIVER RANCH WATER SUPPLY CORPORATION**  
**161 Broken Spur Cir, Bandera TX 78003**  
**BOARD MEETING**  
**October 10, 2025 , 6:00 P.M.**

**DIRECTORS PRESENT WERE:** Vera Mendoza, Steve Sander, Dave Kelley and Tom Cook

**OTHERS IN ATTENDANCE WERE:** Jeff Bolte (Office Manager), Brett Cheatham, Josh Reyna, Tammy Cheatham, Randy Dougherty, Gary Albrecht, Joan Hutchinson and Susie Crews

1. There being a quorum present, the meeting was called to order by Board President Vera M. at 6:02, October 9, 2025.

**2. MINUTES:** Minutes from the September 11, 2025 meeting were presented.

**MOTION:** Dave K. made a motion to accept the minutes. Steve S. seconded the motion. The motion passed without dissent.

**3. PRESIDENT'S REPORT:** [Vera M.]

- 16 Sep 25 received a subpoena from Rosenblatt law firm to which Vera responded with an email directing them to our website for the requested information.
- Consulted with Mr. Brett Cheatham (AIA Insurance) regarding insurance renewal. Mr. Cheatham will make a presentation during this meeting.
- Meeting with TRWA Circuit Rider, Mr. William White regarding new rate setting
- Meeting with Mr. Jason Smith, Class 'C' licensed operator, responding to letters from TCEQ
- Tariff committee meeting 29 Sep 25 w/Steve S. and Tom C.
- Budget committee meeting 2 Oct 25 w/Steve S. and Tom C.
- Spoke with Chris Oropeza from BEC Fiber forms have been submitted for new service to get us off of Vonage
- Spoke with Brad Dower regarding delaying our renting office space from him
- Updated the website and used Call Multiplier to communicate with customers

**4. TREASURER'S REPORT:** [Tom C.]

- Cash Flows report shows a decrease in our cash balance of \$18k and change. We went from almost \$517k to \$498.5k.
- Profit & Loss statement shows a negative net income of \$14.5k. The primary cause of which is the need to rebuild a pump for \$18k. Steve S. will address those details later.
- The Balance sheet shows our current assets of \$547k. Our current liabilities are negligible at less than \$4k. Giving us one-half a million dollars to cover debts of \$4k in the short term. Total liabilities are near one million dollars including our USDA loans, but in the near term we have no reason to doubt our ability to continue operations.
- [Jeff B.] Brought up that this should actually be a balance sheet item as it extends the life of our pumping equipment. [Tom C.] This should make its way onto the balance sheet, but we need to clean up our fixed assets in the plant and equipment category. I'm sure

we have things on our books which are no longer in-service.

**MOTION** Dave K. moved that we accept the treasurer's report. Steve S. seconded. The motion passed.

**5. OPERATIONS REPORTS:**

**a. Class C Licensed Operator/Field Operations:** [Steve S.]

- Last month we had four one-inch service line repairs at various places in the subdivision. All of the repairs failed due to the soil contracting from our dry conditions. Our process was changed to add flex lines in where the repair was made.
- Our biggest repair was on well #4 at our Lantana plant. American Water Well Service came out, blew out the well, vacuumed the mud and replaced a very old pump. The result is that the pump which was producing 20 to 26 gallons an hour now produces 46 gallons per minute for a cost of \$18,800.
- Usage has been down due to lack of leaks and customer conservation efforts.
- Our operator has been monitoring residuals and maintaining our well sites.
- We have approved one new meter at 125 Firewheel Dr. which will likely be the last installation under the old tariff.

<b>Production:</b> (in gallons)	
Lantana	793,680
Riverview	293,914
Oak Bridge	517,215
Perennial	56,135

**b. Office Operations:** [Jeff B.]

- The past due list has been reduced from \$10,000 to \$2,300 and everybody on the list has made a payment within the last 35 days.
- We have two accounts which need to go to collections. One is current as the result of a repair. The other is from 2023. We will attempt to contact them before sending it to collections.
- We have re-established our workmen's comp coverage.

**7. New Business:** (Intentionally out of order)

**Item a.** [Brett Cheatham AIA Insurance] Premium has increased from \$15,581 to \$16,946. Coverage choices are basic form (fire, wind and hail), broad form (fire, wind, hail and 20 other perils) and special form (everything which is not specifically excluded). The policy being recommended is special form which covers most risks. Coverage is provided by a company called Allied Public Risk (APR). Coverage \$1,641,644 for property with a \$10,000 deductible. Newly constructed building will be covered for \$1,000,000 with \$500,000 for contents for 90 days. We have \$42,971 of equipment coverage under the inland marine coverage. Additionally, coverage extends to small equipment/tools (worth less than \$10,000) with a blanket up to \$50,000 coverage. We have \$100,000 coverage for commercial crime which covers theft by employees or board members. Commercial liability covers up to \$1,000,000 per occurrence up

to \$3,000,000 aggregate with no deductible. Public officials and management liability offers \$1,000,000 per act with \$3,000,000 aggregate with \$1,000 deductible. This would cover wrongful termination, election fraud and sexual harassment. General liability will cover vehicles involved in accidents while on water company business up to \$1,000,000 plus defense costs. Commercial excess (umbrella) offers \$1,000,000 coverage of the board of directors, auto and general liability.

**MOTION:** Tom C. moved that we accept the bid for 2026 insurance as outlined by AIA for \$16,946. Dave K. seconded the motion. The motion passed.

## **6. Unfinished Business:**

- a. Infrastructure and property acquisition update [Steve S.] We have pumped the brakes based on the budget. [Vera M.] Let's table the discussion of building new office and storage space until we have the new water storage in place. Storage tank discussion tabled until November meeting.
- b. Technology Services [Vera M.] no progress to report
- c. Tariff adoption [Vera M.] this is a tariff in use by other water supply corporations in Texas. We will likely add the landlord/tenant agreement to the forms section next month (the details of this tariff will not be documented in these minutes as they are in the tariff itself.). Rates were developed using the methodology recommended by the Texas Rural Water Association (TRWA). It required inputs of the number of active meters, water sales for the last three years and our 2026 budget. The TRWA tool uses these inputs to derive what the rates must be to continue operations and allow for needed system expansion. The initial run of the tool produced a base rate increase of \$50 which was a 55 to 60% increase over our current base rate. Mr. White recommended that we not increase the rate more than 25%. We ended up with a basic rate increase of \$12.31. If previous boards had kept up with the rates this is where we would be. [Tom C.] That's incorrect. If the rates had kept up with the rate of inflation since 2008, we would currently have a base rate of \$77. Which is greater than what we are increasing to. [Vera M.] We will ask the BRRWSC board to visit the rates yearly along with the budget. Once this new tariff is approved, we will send out a letter to the customers which will provide the old and new rates. New meter installation will be going up from \$4,034 to \$5,904. We have stripped out most of our expansion plans (new office and storage facility) to keep the base rate down. [Steve S.] We have increased our connection fees yet they are still very reasonable compared to buying 10+ acres of land and drilling a well here in Bandera county all which would be required to obtain water service. [Vera M.] Assured those in attendance that the new rates would cover necessary system upgrades, and enumerated the features of the new tariff in detail. She also listed a number of the boiler plate forms included in the new tariff.

**MOTION:** Steve S. moved that the tariff be accepted. Dave K. seconded the motion.

Discussion: [Tom C.] We will be able to amend this document as needed with board approval. [Steve S.] We need to get this approved in order to provide timely notification of rate changes.

[Mr. Dougherty] Asked if we we should have some sort of revision control in place for the tariff?

**AMMENDMENT TO THE MOTION IN DISCUSSION:** [Tom C.] Amend the current motion to make the new tariff effective November 1, 2025 with the new rates in effect January 1, 2026 and add a version control section to the tariff [Steve S.] Seconded the amended motion. Motion passed.

## **7. New Business:**

b. New rates (see discussion in tariff)

c. 2026 budget **MOTION:** Tom C. moved we table the 2026 budget until next month. Dave K. seconded. Discussion: [Tom C.] The current budget gives us \$60k net income for the year. The

2026 budget currently gives us only \$28k net income. It would be good to double check these figures. Motion passed.

d. TCEQ Notices: [Vera M.] We received notices from TCEQ stating that we had miscategorized one of our wells. They were correct. We had labelled the well #7 as C instead of G. Jason S. made corrections. We haven't heard anything further from the TCEQ rep Mr. Patel. Additionally, TCEQ is expecting us to provide an emergency preparedness plan for Bandera Homestead Condominiums. We are waiting on Jason S. for this. It is due November 19, 2025. Further, TCEQ has tagged us for failing to submit readings for July and August, but these readings were submitted. They were, however, labelled with the incorrect system ID number. That paperwork has been resubmitted.

**MEMBERSHIP COMMENTS:** [Randy Dougherty] Government agencies love to add up these infractions. So, these administrative items should be given proper attention to prevent the agency from stepping into our business. [Steve S.] These aren't the type of errors which would cause TCEQ to step in, and we are taking steps to mitigate these problems. [Vera M.] We have until June 22, 2026 to resolve this. We are aggressively attacking these problems and fixing them immediately.

[Joan Hutchinson] Asked if the audit is still ongoing. [Vera M.] Yes, we will offer more detail in November. Ms. Hutchinson was very happy to see the extent of the coverage in our insurance coverage. Ms. Hutchinson commented that her cost to join BRRWSC was only \$500 and the new meter fee of \$5,000+ seemed really high. It was explained that the membership fee of \$500 has not changed. Ms. Hutchinson was very complimentary about the board.

**MOTION:**

Dave K. moved to adjourn. Tom C. seconded. Unanimous agreement to adjourn at 8:21 P.M. The next regular board meeting will be held on Thursday, November 13, 2025 at 6:00 P.M.

BRRWSC President,

Vera Mendoza\_\_\_\_\_

BRRWSC Treasurer/Secretary,

Martin (Tom) Cook\_\_\_\_\_