

SILVER CREEK VILLAGE WATER SUPPLY CORPORATION
Minutes of the Board of Directors Meeting
17 June 2024

Meeting called to order: 1:08 pm by Clint Cagle, President

Present: President Clint Cagle, Vice-President Tim Smith, Secretary/Treasurer Paul M. Miller, Members-At-Large William (Butch) Cain and Barry Dawson, Assistant Business Manager Mary Ann Pennington, Water System Operator Joey Krueger.

Absent: Assistant Water System Operator Jay Everett.

Invocation: Given by Clint Cagle.

Order of Business:

Minutes: Minutes from the May 2024 meeting were approved as read.

Ops Report:

Joey installed 3 meters this month. Meter readings are staying stable. We purchased 20 meters from Ferguson at \$87 each.

Clint and Joey are working on the dial-out system – the Sensa-Phone. They needed to insert the sim card into another phone to input the correct code to get it working. 832 262-9526 is the call-out number. There are 4 reasons for a dial-out. If the first person does not answer, it calls the next on the list until someone answers. It gives you 15 minutes after answering to correct the situation, then it calls again.

Joey will let the aerator operate until it dies. It will not hurt anything by running.

Joey recommends we change from chlorine to (liquid) bleach. The cost is about the same, but bleach is much safer and has fewer restrictions. Drums of bleach are \$270-\$280 with \$200 delivery charge. We will probably use a couple barrels a year. Overall cost would go up slightly, but Preventive Maintenance would be cheaper. Bleach could use essentially the same piping.

We could use the same room, but without the restrictions. Since we need a scale for the chlorine treatment now, the change to bleach would save money. We discussed ways to save more by switching to bleach. It needs a pump (variable speed). We could install it in the WRT. Paul moved we change over to bleach and let Joey work out the details of the change. Tim seconded the motion. Motion passed.

Joey recommended using chain-link to secure the flush valve. He will fix all the flush valves.

There are currently 103 members. Clint printed the reports at different times, so they reflected different levels of membership.

We have not been using our tariff agreement forms for rentals. Or have not saved the completed agreements. Clint will use and save them now.

Mary Ann feels like she is being ignored when she contacts members about their water bill. She will advise Clint of all attempts to contact people for SCVWSC and their results.

Finances:

\$11,200 sales last month. Some payments were returned to the sender by the Post Office, resulting in them being past due. Graybill's payment check was returned.

\$11,370 total income

\$10,510 expenses

For a profit of \$860 (first profit in 5 months)

\$29,893 in checking

\$4,830 in savings

\$28,978 in Edward Jones

\$18,000 in reserve for the USDA loan

\$45,701 in Cash reserves

Outstanding liabilities are:

A check was written to Centex Generators but never sent and we could not find an invoice. This was the amount for the wrong generator (48k, single phase) initially delivered for the pump house.

\$6,881 on the American Express card for the pump

\$56,798 in total liabilities

\$219,980 for the USDA loan. Discussed interest vs principal payments.

The Business Manager is still working on the 5-year budget.

Business:

There are no permits required for installing the pipeline along the county road.

Clint decided it is in our best interest to immediately contract with LCRA for access to lake water.

Clint says we can get out of the contract if we don't need the water. Not sure which contract (LCRA or TWDB) to which he was referring. Clint says the TWDB wants a water contract before they will approve the loan. LCRA will not guarantee a water contract for the future and will not guarantee any subsequent contracts. They ask if you want a 5-yr or 10-yr contract – BUT they are free to cancel your contract or change it whenever they desire. So, effectively, any water contract with LCRA is good for one year and only the present year. The fact that we have a contract this year does not mean we will have one next year. LCRA now wants a \$2000 "application fee".

LCRA wants a Drought Contingency Plan for 2023/24. They have changed the parameters. Clint will make any changes necessary.

Clint is buying another laptop for the SCVWSC.

Clint will generate a list of reports required for SCVWSC, what agency requires them, and when they are due.

The Member letter requesting current contact information is still not completed.

The issue with the IRS is actually for 2 years. In 2020 the IRS lost a letter we sent. In 2021 we missed the deadline for an extension. If one does not file, the IRS assumes you are a taxable entity. So they think we owe them \$6800. Clint talked with the person who filed the taxes those years trying to clarify what happened.

There was a payment to Bank of America for \$880. It does not show up on the SCVWSC account. It does show on Nelson's account. BoA will send account statements so we can try to track what happened. This discrepancy does not mean we have a negative audit, just need to

address "What /how are you going to correct this".

Meter readouts for 2023 are 40,000-50,000 gallons more for the master (supply) than for the sales. We still do not know where the difference is.

In September we have 2 bids for the fence for well 7. There is no time frame associated with installing the fence.

We have spent apx 35k on engineers. As soon as the loan is closed, we can request a repayment for that, plus \$9,000 for the generators. Then the finances will look better.

LCRA did not like our projected usage. They want a reduction of approximately 1% per year.

Clint explained our present usage and the fact that we are significantly below average already.

Clint presented a spreadsheet to the Board showing different TWDB loan amounts and different interest rates. Since we are required a reserve of 5 years of payments, that makes a 30 year loan really a 25 year loan. Plus the first 5 years require double payments – payment plus reserve. We have 3.5 years until we have to start repaying the loan. We discussed variable costs vs fixed cost vs loan costs. Clint will develop a spreadsheet showing these costs for comparison. Butch asked what happens if we do not have the reserve. Tim pointed out that it would be advantageous to be able to show the costs to the Painted Sky Inn. The question came up of how PSI is charged now. Some say they have one meter others say they have up to 8 meters. The discussion went into how to negotiate with PSI. Do we offer an amount? A percentage reduction? Is it time limited? Is this forever? We discussed Right-Of-Way rules again. Tim suggested presenting the situation to PSI. Barry reminded us that we needed to have an extended plan. A mass discussion ensued.

There being no further business to discuss, Paul moved we adjourn. Butch seconded.

Meeting adjourned @ 4:05 PM

Next Meeting: 15 July 2024, (Monday) 1 PM, at the SCVWSC Office.

Any recommendations for agenda items should be forwarded to Paul M. Miller no later than a week before the meeting.