

SILVER CREEK VILLAGE WATER SUPPLY CORPORATION
Minutes of the Board of Directors Meeting
19 August 2024

Meeting called to order: 1:05 pm by Tim Smith, Vice-President

Present: Vice-President Tim Smith, Secretary/Treasurer Paul M. Miller, Members-At-Large Barry Dawson and William Cain, Water System Operator Joey Krueger.

Guests: Willis Engineering Tony Plumlee and Larry Wilkins

Absent: President/Business Manager Clint Cagle, Assistant Business Manager Mary Ann Pennington and Assistant Water System Operator Jay Everett.

Invocation: Given by Tim Smith. Our thoughts and prayers are with Clint Cagle who is still ailing and Mary Ann Pennington who just had back surgery.

Order of Business:

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

Ops Report:

Joey replaced two meters.

We are waiting for the replacement parts to finish the leak repair on Loma Vista and the Hudson's. Bought 6 cones to frame the leak area.

Joey was able to order the meters for Painted Sky Inn, without electronics, for about \$750 each. He will set up an account to pay for the meters. We don't know the current limit on his credit card.

We need to check with Clint to find out more about the leak in the filter.

Joey has a potential contractor to mow the lots. He will ask for a proposal.

Paul asked if we could recycle the water used for back-washing. It would cost more to alter the system than we would save by recycling. Mr Plumlee pointed out that could be added into the SWTP project.

We had a 32% water loss in July. We still have no answer to the high water loss.

Finances:

July income was \$11,215 and expenses were \$13,157 for a net loss of \$1,942. Account balances in First Bank of Burnet were \$21,564 in checking and \$3,333 in savings for a total of \$24,897.

Edward Jones account balance was \$29,000 of which \$18,000 is the reserve for the USDA loan.

Total cash reserves are \$35,887. Outstanding liabilities are \$31,507 for the pump station generator to Centex Generators, \$6,543 for re-routing the SWTP pipeline to Willis Engineering (paid today) and \$5,777 for the Well pump and materials for the office to American Express.

Total outstanding liabilities are \$43,827. USDA loan balance is \$227,500.

Since neither the Business Manager nor the Assistant Business Manager were present, we reviewed the documents given for the meeting by the Business Manager. We could not

reconcile the checking account. Our understanding of the financial report meant we have not earned a profit yet this year and currently are in debt almost \$10,000, without even considering the USDA loan. We had an extensive discussion on the financial situation, including the loss of our Business Manager. Presently we do not have the services of the Business Manager – through no fault of his own – and the Assistant does not have the knowledge to perform the duties.

After discussion, Mr. Cain moved we immediately increase the base Tarriff to \$118. Mr. Dawson seconded the motion. Motion passed.

Paul will contact the Business Manager to ensure RVS has the correct billing reflecting this increase and also request reconciliation of the bank accounts.

Note that Mr Westbrook did not appear to protest his water bill.

Business:

Clint resigned his position on the Board of Directors. Paul requested permission to contact Daniel Webster to see if he has an interest in joining. Butch suggested asking Josh Hudgins also. Permission granted.

We discussed our interaction with Willis Engineering for the SWTP. They are recalculating the cost projection for the new proposed route through Painted Sky Inn/Orman's. To reduce the building on land, we could build out from the shore to where the land drops off and put the equipment there. We also discussed possible ways to decrease cost. We emphasized that we were limited in the amount we could finance. As the cost estimates and grant/loan amounts stand right now, we cannot afford the project. It simply is not feasible for us to even entertain a base loan payment of \$150/month per member. The Board of Directors CANNOT agree to the project without knowing the end cost will be viable for 100 members to afford. A loan of \$1,500,000 for 40 years at 2.5% would require doubling the current base water payment for five years – IF there are no increases in operating costs.

We discussed the possibility of using only one Trimite unit. Mr. Plumlee does not think TCEQ will allow that. Also, we must have a clarifier to filter out sediment. We had an extensive discussion of NTU's and the length of time for the lake to settle. Willis Engineering will review costs with this in mind. We discussed other means of financing the project. Mr. Plumlee has used HUD to provide up to 75% of project cost in other projects. We need to press Langford on this topic. Another option for cost savings is to use the present distribution system as the intake for the SWTP. Mr. Plumlee pointed out that TCEQ is using 40 year old technology. Design and capabilities have significantly changed.

Tim and Butch installed the flooring for the office. Butch will bring the desk and Paul will bring the file cabinet. There is a fire-proof file cabinet in the WRT that we could bring to the office. Butch pointed out there is a dead-bolt in the WRT building to be installed. He also installed trim on the windows. Discussed donating pictures for the walls. This requires coordination with our interior designer, Mary Ann.

Paul raised the question of adding another member of the Board of Directors to the credit card. Presently, even though it is for SCVWSC business use, it is in Clint's name. Discussing the situation with Corporate and business lawyers revealed it is common practice to have dual guarantors. This mitigates the effect on one's credit report and, if something happens to one cosigner, we still have access to the account through the other. This prevents the confusion that

occurred with our last Business Manager. We don't know if this is possible, but will ask the Business Manager.

We discussed the IRS problem. Apparently, there has been no resolution. Nothing is known about the situation – who is negotiating, what is the current status, what are the prospects. Tim thinks we have more leaks that have not been discovered.

Paul presented the Drought Contingency Plan and the Water Conservation Plan for approval. The Business manager will resubmit these as needed (DCP is due each May).

The rest of the matters in the Agenda pertaining to Finances or Business need input from the Business Manager.

There are no proposed projects.

There being no further business to discuss, Paul moved we adjourn. Barry seconded the motion.

Meeting adjourned @ 3:30 PM

Next Meeting: 16 September 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.