

**SILVER CREEK VILLAGE WATER SUPPLY CORPORATION**  
**Minutes of the Board of Directors Meeting**  
**20 May 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, Member-At-Large William (Butch) Cain, Assistant Business Manager Mary Ann Pennington, Water System Operator Joey Krueger.

**Absent:** Member-at-large Barry Dawson, Assistant Water System Operator Jay Everett.

**Invocation:** Given by Clint Cagle.

**Order of Business:**

**Minutes:** Minutes from the April 2024 meeting were approved as read.

**Ops Report:**

The last 2 meters we have were installed. We have replaced 47 since 2021. The next 10 to be replaced will be active accounts using above the base rate according to the Business Manager. The estimates for new meters are about \$93/meter. Ferguson estimated between \$92-95/meter including shipping. Master Meter estimated \$102/meter and about \$40 shipping. They have brass body turbine meters for \$1000, and ultrasonic brass for around \$1000. Marble Falls has 2" Brass meters for \$700-800.

Well #7 recently averaged 11,000-12,000 gal per day output.

The standby generator for the pump house is operational. It is scheduled for a test run for 15 min every other Monday. It still has finishing touches to be done – extending the pad to support the intake connections. It takes longer to start because the intake hose needs to fill with propane.

The auto dial-out is not working properly. Maybe because it is tied to Nelson's old phone line. No one on the Board knows if we can change the phone line for the call outs. The current line to call out is 512 755-3252. This number has been changed, has been disconnected, or is no longer in service – so it cannot be used. Verizon sets up the dial-out system. The Business Manager will correct that.

Is part of the chlorinator broken? The Chlorinator scales are not listed on the inventory. One of them (we have 2) needs to be replaced – it has to be shaken to show the current reading. Joey will get the Business Manager the cost.

Everything else is working OK.

Had a leak at 303/5

Will try to get the scaffolding back this week. Put the new unit on, the freeze backed water up into the unit, breaking the glass. We paid for the new unit, then the repair. Butch asked if we should insulate the line to prevent re-occurrence. Joey will insulate the line and let Butch know when they can return the scaffolding.

Need to order replacement clamps.  
Will order 10 meters.

### **Financial Report:**

For April 2024, income was \$9488, expenses were \$21,107 with a net loss of \$11,619. Several invoices paid in March were not cleared until after April 1<sup>st</sup>. As of May 1<sup>st</sup>, all pending invoices are paid. New invoices will be paid within 30 days, except water tests which will be paid on receipt. First Bank of Burnet balances are \$29,033 in Checking and \$4,679 in Money Market, for a total of \$33,712. Edward Jones's balance is \$28,983, of which \$18,000 is reserved for USDA loan. Total available cash is \$44,695. Accrued liabilities total \$229,569, \$221,915 for the USDA loan and \$7,861 for American Express, consisting primarily of Office Building and well pump costs.

### **Business:**

Discussed the monthly reports. Water loss was 20%. Last year our water loss was less than 10%. What they have been doing is use the water pumped, the water used and flushing. Each could be 5% off. Clint thinks the unexplained water loss was from someone stole that. Some of the valves are not locked. The Business Manager will have Joey correct that. No significant leaks. Extensive discussion of water loss – where the numbers are gotten, what they mean and how to fix the problem. Discussed the Exceptional Report. Discussed various accounting problems with reconciling the past reports with current reporting requirements.

The BM will merge letter to the members to update contact info.

Sent new request for info from lender with 2 week deadline. About 3 pages of questions, Clint bought a table from Wal-Mart for the printer, etc.

Mary Ann and Barry volunteered to paint the office. Mary Ann bought the paint.

Clint asked about internet service. Without a consistent presence at the office, there is no need for an internet connection there. We will get a hot spot through the phone.

Clint brought up the LCRA projection for the lake level. That was debunked immediately.

Discussion ensued about the lake levels.

DGP – we fall between 2 different state agencies. The Ground Water Conservation commission has a Level 4, while LCRA has a level 2. Our documents (DGP) do not mention either agency in regards to triggers or enforcement. Most restrictions include a % reduction in usage. Clint thinks they use a national average. But 90% of our members use less than that number. Plus, you cannot tell where people are getting their water from – a well? The lake?

There are 3 main reports turned into state agencies

Water usage – ground water or well pump

Water Development board water use comes from main meter. Annually

Water loss audit – uses both main meter and storage.

There is a confidence report – how accurate you think the numbers are.

Get better by 3 things –

Adjusted water loss volume, built in loss is 12% real loss is 60 gal/day. For the line Distribution system is under there, next is total water per customer 500 gal/day or 15,000 gal/month. Back to water loss. Clint thinks it is in the measurements. (Or someone is stealing it). Another discussion of water loss prevention.

We need to talk about working on our right of way – PSI, POA, county. Do you want to offer the PSI or POA something? You could offer a reduction in base rate, some amount of water per month, or a set amount of money. Clint thinks you can bank any amount you do not use from LCRA. Not true. But we could sell it. Discussed what we should pay PSI for installing the SWTP. Clint asked if we could set a commercial rate. He thinks we cannot offer any other member a “deal” for using their right-of-way, but Painted Sky has a different type of membership and can be offered a deal. Paul believes there is only one type of membership to SCVWSC, since there is no mention of other memberships in the By-Laws.

We repeated our previous discussions on what/how to offer to Painted Sky Inn. Clint thinks we must purchase water from LCRA ahead of SWTP construction.

In '21 Nelson did not file taxes on time. He filed for an extension late. Then he sub-contracted with a company in Llano. Either we pay it and file for an adjustment so they will repay us or dispute the charge, which means penalty and interest will continue to accumulate. Clint asked the sub-contractor to write a letter to the IRS explaining what happened and ask for an abatement. We have not heard back from the IRS yet. No one on the Board of Directors knew this was happening. Clint received two letters from the IRS, one saying we owed 0 taxes for 2021 and another saying the issue was resolved. We are waiting for the sub-contractor to get resolution.

Clint asked when we should buy water from the LCRA; prior to getting the loan, prior to starting construction, or when construction starts? Paul said, when asked that question, LCRA told him they have never sold all the available water contracts. That was one of the reasons they expanded the available water for lease and they were confident it would not happen. However, if it did come up, community water purchasers would have priority over other purchasers, so they (this official) was confident water would be available when needed for SCVWSC. Therefore we do not need to purchase the water prior to SWTP construction.

Clint volunteered to call the County to clarify when/what we need to secure the access to the county right-of-way. Butch thought that was part of the engineer’s responsibility. Clint said they would refer it to us. Butch and Paul thought that was part of the SCVWSC contract with Willis Engineering for securing all the necessary permits to enable construction. The Business Manager will check with Willis.

Clint proposed having the Business Manager develop a 5-year plan. This is recommended by TCEQ (Asset Management, RG-501a), SBA, and other large organizations. See Asset Management Plan.

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

**Meeting adjourned @ 4:05 PM**

**Next Meeting: 17 June 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.