

Crown Mountain Water Supply Corporation

Board of Directors Meeting

Minutes

Date: 15 May 2021

Time: 10:00 am

Place: First Baptist Church cafeteria, Camp Wood

Board Members Present

President:	Lee Gruver	<u>X</u>
Vice President:	Benny Simpson	<u>X</u>
Treasurer:	Patricia Isham	<u>X</u>
Secretary:	Yvonne Miller	<u>X</u>
Assistant Secretary	John Klebenow	<u>X</u>

CMWSC contractors

Well Operator:	Chano Falcon	<u>X</u>
Customer Account Specialist:	Patricia Isham	<u>X</u>

Other Water Corporation Members:

Member present -signed in:

Lonny Meadors
Leonora Brackin
Tim Brackin
Diana Klebenow
Brenda Askew

Members present- not signed in:

Jeff Lane
John Florence
Adria Schreiber
Nora Falcon

I. Call to Order

Time 10:00 am

II. Statement of the Board of Directors

Welcome lots to cover including update on possible sale of Well to City of Camp Wood.

III. Approval of Minutes –

-- Quarterly Meeting Feb 2021 – Motion to accept by Lee, seconded by John, all ayes.

– Special meeting on April 23, 2021- minutes as follows:

Date: 23, April 2021

Time: 1300 hrs

Place: Miller Residence, Camp Wood, TX

All Board Members Present

I. Call to Order

Time: 1304 hrs

II. Reason for Special Meeting

A. Installation Problems

1. Board voted for property owner to choose what type of meter they want installed at their property, based on anticipated usage. Old information is being given out. Will need to update all. i.e., Title company and well opp.
2. **Motion** by John for all new installations to go through the board on a case-by-case basis. Lee seconded. Carried by unanimous vote.
3. **Motion** by Yvonne to pay John Florence \$200 to move meter for Brenda Askew in OM2 that was installed in the wrong location per property owner. Seconded by Benny. Carried by unanimous vote.
4. Discussion for John Florence at his own expense to replace a $\frac{3}{4}$ inch meter with a 1-inch meter on one of his properties. All board members agreed.
5. Problem with asphalt patch that was done in Crown Mountain where the water line had to go to the other side of the road. Lee made a **motion** for the board to pay \$100 towards asphalt for the Crown Mountain workday. Yvonne seconded. Carried by unanimous vote.
6. Future issues with having to go under the road in Crown Mountain will be handled on a case-by-case basis. The discussion for a fee when the road in Crown Mountain is involved in an installation was tabled for quarterly meeting.

B. Recalculation of billing Residential / Commercial

1. Removing commercial wording to property owner's choice of $\frac{3}{4}$ inch or 1 inch meter.
2. Yvonne made a **motion** to go with one rate, the current residential rate for month billing. Patricia seconded. Carried by unanimous vote.
3. Patricia and John will review the wording and will bring it for vote at the quarterly meeting.

D. City taking over operation of the Well

1. We have a slot to present to city council on May 10, 2021. Lee is going to check and see if Brady (State rep) is available to attend as well as the engineer.

2. Lee has a call in to the County Attorney to make sure he can represent Crown Mountain Water Supply Corporation in the sale.

3. It was also noted; the board would need to put the sale to a vote of all the property/shareholders.

III. Next Meeting – Quarterly May 15, 2021, 10:00 am at Baptist Church

IV. Adjourn

Time: 1410 hrs_

Motion was made to accept these minutes (noting postponement of May 10 meeting) by Lee, seconded by John, all ayes.

IV. Reports

A. Customer Account Specialist Report

1. Update on Delinquent Accounts and Collections

65 total accounts

7 late

As of April 28 - \$5000 delinquent

Discussion on late accounts including lien that needs to be released and re-filed. Prior Business manager continued to advise the lien had not been filed in error. Lee advised he would look further into that situation outside of the meeting.

2. **Motion** was made to accepted report by Lee, seconded by John, all ayes

B. Treasurer's Report – **Motion** to accept reports by John, seconded by Benny, all ayes:

1. Profit and Loss – 2021 Budget

3:14 PM

12/03/20

Accrual Basis

**CMWSC
Proposed Budget 2021
January through December 2021**

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21
Ordinary Income/Expense							
Income							
Water Bills							
Maintenance Fees	898.35	1,860.21	983.50	1,322.50	773.50	807.35	750.50
Membership Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monthly Water Bill	2,189.59	2,810.52	1,988.88	2,537.70	3,152.79	3,095.23	2,290.36
Tap Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Water Bills	3,188.94	4,670.73	2,972.38	3,860.20	3,926.29	3,893.58	3,040.86
Total Income	3,188.94	4,670.73	2,972.38	3,860.20	3,926.29	3,893.58	3,040.86
Gross Profit	3,188.94	4,670.73	2,972.38	3,860.20	3,926.29	3,893.58	3,040.86
Expense							
Bank Service Charges							
Bad Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cancelled Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Service Charges - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Bank Service Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computer and Internet Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Education							
Licensing Fees Well Operator	0.00	0.00	430.50	0.00	0.00	0.00	0.00
Total Education	0.00	0.00	430.50	0.00	0.00	0.00	0.00
Equipment							
Tools	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipment - Other	0.00	3,000.00	0.00	15,000.00	0.00	0.00	0.00
Total Equipment	0.00	3,000.00	0.00	15,000.00	0.00	0.00	0.00
Insurance Expense	0.00	0.00	0.00	3,371.00	0.00	0.00	0.00
Lab Fees							
TCEQ required lab work	0.00	200.00	0.00	0.00	0.00	0.00	0.00
Lab Fees - Other	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Total Lab Fees	20.00	220.00	20.00	20.00	20.00	20.00	20.00
New Meters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Employee Compensation	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Office Supplies	66.00	66.00	66.00	66.00	66.00	66.00	66.00
Postage	0.00	181.00	0.00	0.00	0.00	0.00	181.00
Repairs and Maintenance							
Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water tap supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repairs and Maintenance - OL	370.00	370.00	370.00	370.00	370.00	370.00	370.00
Total Repairs and Maintenance	370.00	370.00	370.00	370.00	370.00	370.00	370.00
Revenue & Regulatory Assessm...	140.00	0.00	0.00	0.00	0.00	0.00	0.00
Signage for Well Site	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TCEQ							
Water System Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total TCEQ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travel Expense							
Mileage	104.00	104.00	104.00	104.00	104.00	104.00	104.00
Total Travel Expense	104.00	104.00	104.00	104.00	104.00	104.00	104.00
Utilities	311.00	311.00	311.00	311.00	311.00	311.00	311.00
Total Expense	2,011.00	5,252.00	2,301.50	20,242.00	1,871.00	1,871.00	2,052.00
Net Ordinary Income	1,177.94	-581.27	670.88	-16,381.80	2,055.29	2,022.58	988.86
Other Income/Expense							
Other Income							
Accrued Earning	25.56	5.21	6.02	8.68	8.17	34.81	7.43
Credit for returned merchandise	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fees for Returned check	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	25.56	5.21	6.02	8.68	8.17	34.81	7.43
Other Expense							
Donation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	25.56	5.21	6.02	8.68	8.17	34.81	7.43
Net Income	1,203.50	-576.06	676.90	-16,373.12	2,063.46	2,057.39	996.29

CMWSC
Proposed Budget 2021
January through December 2021

	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	TOTAL Jan - Dec 21
Ordinary Income/Expense						
Income						
Water Bills						12,009.85
Maintenance Fees	908.24	1,112.06	1,064.29	597.95	831.00	0.00
Membership Fees	0.00	0.00	0.00	0.00	0.00	0.00
Monthly Water Bill	2,529.07	2,462.73	2,432.97	3,004.63	2,305.58	30,821.05
Tap Fees	0.00	0.00	0.00	0.00	0.00	0.00
Total Water Bills	3,437.31	3,574.79	3,497.26	3,601.98	3,166.58	42,830.90
Total Income	3,437.31	3,574.79	3,497.26	3,601.98	3,166.58	42,830.90
Gross Profit	3,437.31	3,574.79	3,497.26	3,601.98	3,166.58	42,830.90
Expense						
Bank Service Charges						0.00
Bad Check	0.00	0.00	0.00	0.00	0.00	0.00
Canceled Check	0.00	0.00	0.00	0.00	0.00	0.00
Bank Service Charges - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Bank Service Charges	0.00	0.00	0.00	0.00	0.00	0.00
Computer and Internet Expenses	75.41	0.00	0.00	0.00	0.00	75.41
Education						430.50
Licensing Fees Well Operator	0.00	0.00	0.00	0.00	0.00	0.00
Total Education	0.00	0.00	0.00	0.00	0.00	430.50
Equipment						0.00
Tools	0.00	0.00	0.00	0.00	0.00	18,000.00
Equipment - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Equipment	0.00	0.00	0.00	0.00	0.00	18,000.00
Insurance Expense	0.00	0.00	0.00	0.00	0.00	3,371.00
Lab Fees						400.00
TCEQ required lab work	0.00	0.00	200.00	0.00	0.00	240.00
Lab Fees - Other	20.00	20.00	20.00	20.00	20.00	0.00
Total Lab Fees	20.00	20.00	220.00	20.00	20.00	640.00
New Meters	0.00	0.00	0.00	0.00	0.00	0.00
Non Employee Compensation	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
Office Supplies	66.00	66.00	66.00	66.00	66.00	792.00
Postage	0.00	0.00	0.00	0.00	0.00	362.00
Repairs and Maintenance						0.00
Improvements	0.00	0.00	0.00	0.00	0.00	0.00
Meter tap supplies	0.00	0.00	0.00	0.00	0.00	0.00
Repairs and Maintenance - Other	370.00	370.00	370.00	370.00	370.00	4,440.00
Total Repairs and Maintenance	370.00	370.00	370.00	370.00	370.00	4,440.00
Revenue & Regulatory Assessm...	0.00	0.00	0.00	0.00	0.00	140.00
Signage for Well Site	0.00	0.00	0.00	0.00	0.00	0.00
TCEQ						700.00
Water System Fee	0.00	0.00	500.00	0.00	200.00	700.00
Total TCEQ	0.00	0.00	500.00	0.00	200.00	700.00
Travel Expense						1,248.00
Mileage	104.00	104.00	104.00	104.00	104.00	0.00
Total Travel Expense	104.00	104.00	104.00	104.00	104.00	1,248.00
Utilities	311.00	311.00	311.00	311.00	311.00	3,732.00
Total Expense	1,946.41	1,871.00	2,571.00	1,871.00	2,071.00	45,330.91
Net Ordinary Income	1,490.90	1,703.79	926.26	1,730.98	1,095.58	-3,100.01
Other Income/Expense						
Other Income						175.36
Accrued Earning	7.33	33.91	3.43	3.79	31.02	0.00
Credit for returned merchandise	0.00	0.00	0.00	0.00	0.00	0.00
Fees for Returned check	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	7.33	33.91	3.43	3.79	31.02	175.36
Other Expense						100.00
Donation	0.00	0.00	0.00	0.00	100.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	100.00	100.00
Net Other Income	7.33	33.91	3.43	3.79	-68.98	75.36
Net Income	1,498.23	1,737.70	929.69	1,734.77	1,026.60	-3,024.65

2. Balance Sheet

		Apr 30, 21
ASSETS		
Current Assets		
Checking/Savings		82,945.14
Total Current Assets		<u>82,945.14</u>
TOTAL ASSETS		<u><u>82,945.14</u></u>
LIABILITIES & EQUITY		
Liabilities		
Long Term Liabilities		-3.00
Total Liabilities		<u>-3.00</u>
Equity		82,948.14
TOTAL LIABILITIES & EQUITY		<u><u>82,945.14</u></u>

C. Well Operator's Report

1. Update on well operations – written report submitted by Chano, and he gave a brief explanation of bullet points. Report attached.

Water Operator Report for Quarterly Board Meeting 5-15-21

- 2-14-21 The now famous winter storm hit. We were without power for 4 days which means we were without water. Had a lot of members pitch in and assist with monitoring and then starting up the system.
- 2-19-21 Power finally came back on and we got the system going but it would not pressure up. The next morning we split up and John K. discovered a leak at the Meadors property. Meter was turned off and the system quickly pressured up.
- 2-20-21 I took chlorine samples at 4 locations and all were good so it was determined that we did not have to issue a boil order.
- 2-22-21 I took a water sample to Kerrville lab and it came back negative so all is good.
- 3-13-21 At 8:45 this morning we had a major power outage. Sam put out a "no water use" notice to avoid the lines going soft. At approx. 3:50 p.m. the power came back on. I went to well and all was working properly. System had fired up and tanks were filling.
- 3-27-21 Had a workday at the well and we also cleared/cleaned the easement on the Justin Carlisle property behind the well. We had a total of 10 volunteers. It was a very good turnout.
- 4-7-21 Installed a meter in OMII, Askew property
- 4-12-21 Installed a meter in CM ranch, Davenport new property, caliche pit.
- 4-27-21 Received signed and sealed plans from Dan Leyendecker, the engineer, on well site.
- 5-6-21 Called Lee Gruver to discuss my role as water operator for CMWSC. I asked to meet with the board in executive session. Lee advised that he would put me on the executive session agenda.
- 5-7-21 Installed a meter in OMI, at the smokehouse, for a new business that is on Smokehouse property.
- Received estimate from Larry Reed, at Reetex, for the upgrade to the RO system.
- Completed and submitted quarterly chlorine report, Water Audit Report, CCR report, Certificate of Compliance and the Provider Certificate.

2. System maintenance / repairs -Chano submitted a written bid (attached) from

Reetex for:

- a. RO system upgrade and iron filters
- b. RO pump replacement



QUOTATION

May 8, 2021

To:
Chano Falcon
CMWSA Water Operator

Quotation No.: Q-03054-r2

Crown Mountain Water Supply
1312 Oak Meadows Dr.
Campwood, Texas 78833

Re: RO Rebuild

Dear Mr. Falcon,
Please see below equipment and labor to rebuild your RO system.
This offer only includes items within the existing galvanized frame.
Existing items that are properly sized for the new flow rate and in good condition will be used on the new system. The following will be re-used:

- Cartridge filter
- Control Panel
- Pressure Switch
- Backpressure regulator
- Anti-scale tank and pump

Items to be replaced:

- Booster pump (Already purchased)
- Overload relay for 7.5 HP motor
- Bypass Flow Indicator
- Permeate Flow Indicator
- Reject Flow Indicator
- Membrane Housings (2) 8" FRP, 300 psi, 3 membrane
- Membranes, (6) Hydranautics ESPA4-MAX
- Pump discharge and reject piping to be sch40 stainless (up to reject and recycle globe valves). All other piping and valves, sch80 PVC.
- Cartridge Filter Gasket

Item	Description	Price
1	RO rebuild per above.	\$16,100
2	Estimated expenses for installation. (2 Trips) 640 miles @ .5/mile, (4 days) @ \$150/day. To be billed at cost.	\$920
2	Iron Removal Filters (2 ea.) 30" x 72" with 2" Controller	\$22,000

Delivery: 12 weeks after receipt of order.

Payment terms:

Invoices will be submitted on the following schedule. Invoice terms are net 30 days.

- 50% Receipt of membranes
- 50% Completion

Quotation by:
Larry W. Reed Jr.
Partner

3. **Motion** was made to accept Well Operator's Report by John, seconded by Benny, all ayes

V. New Business

1. Tariff changes see attached proposal
 - a. Commercial vs. residential meter installation discussion, tiers tabled for next meeting
2. Consideration for increased water storage – discussion, no action
3. Signed and sealed plans for well site – discussion Because of internal problems within the City of Camp Wood, the proposal to the City will be on the City’s June Agenda. After that and when the board has proposed rate information a information letter will go out of all members. Along with a vote for yes or no to continue with the sale.
4. Chano wants written copy of Tariff sheet and policy. – Will get completed as soon as possible.

VI. Old Business

1. Fee when the road in Crown Mountain is involved in an installation (see New Business, no.1 as it is included in the proposed Tariff changes)
2. City taking over operation of the Well – Addressed earlier in the meeting
 1. We have a slot to present to city council on May 10, 2021. Lee is going to check and see if Brady (State rep) is available to attend as well as the engineer. (This meeting has been postponed.)
 2. Lee has a call in to the County Attorney to make sure he can represent Crown Mountain Water Supply Corporation in the sale.
 3. It was also noted; the board would need to put the sale to a vote of all the property/shareholders.
 4. Address rumor about the City wanting to Annex OM1, OM2, CM, as well as other rumors around the subject.
3. Installation of signs - Signs will go in on work day and when new meters are installed.

VII. Adjourn

Time: 1207 hrs

VIII. Executive Session

1. Past due accounts – legal action, disconnect action – Lee is going to check again with lawyer as to when we can expect to see the release of lien and the new lien.
2. Water Operator duties – Written policy will be updated as sent to Chano as soon as possible. Chano is very upset he is not included in board email chain and wants included in all board meetings. Lee explained that the board will be having meetings that he is not

included and any information that pertains to his job duties will be passed on to him in a timely manner. Chano agreed to stay as Well operator even though he was prepared with a written resignation. He agreed to follow the updated policy and again requested it be updated into the policy section.

3. Yvonne advised her meter at her property still after a year is making noise when water runs through it. Chano advised he has never been notified of this. Yvonne advised he was notified verbally at least two times she is aware of. Chano advised that for him to check a meter the request must be in writing and must be accompanied by a \$25 charge. Lee advised maintenance issues did not need to be in writing and did not require a fee.

VIII. Next Meeting

- A. Written Well Operator Policy
- B. Lien Status
- C. Signs
- D. Billing Tier
- E. Maintenance status

IX. Adjourn

Time: 1309 hrs