

Creedmoor-Maha Water Supply Corp
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Minutes of October 21, 2020 Monthly Board of Directors Meeting

Board Members Present:

Bennie Bock II, President	Earl Burklund, Vice President
Carl Urban, Secretary/Treasurer	Bobby Burklund, Director
Rebecca Richards-Oldag, Director	Ben Gray, Director
Darrell Walenta, Director	Yvonne Gil-Vallejo- Director
Don Dailey-Director	

Attending Staff:

John Steib, General Manager	Matt Pickle, Operations Manager
Nadine Hodges, Business Manager	Kristi Temple, Customer Service Manager
Cassie Taylor, Assistant Business Manager	Sheryl Mitchell, Customer Service Rep
Scott Rickabough, Operations	Liza Arroyo, Customer Service Rep.

Item 1. Open Meeting

Prior to the opening of the Formal Meeting, General Manager John Steib invited Nadine Hodges up to accept a Certificate of Appreciation from Creedmoor-Maha for her almost three years of professional and lasting contributions to Creedmoor-Maha. He praised her hard work and significant level of assistance and broad expertise. Mr. Steib also presented Nadine with a gift certificate from all of the employees. Cake was served.

After this presentation, President Bennie Bock, II called the meeting to order and established a quorum at 6:00pm. President Bock noted that attending this meeting were members, and contractors. He reminded the audience of the rules that each person would be given three minutes to speak, but no action or response could be taken at this time.

Item 2. Citizens, Members or Customer's General Forum:

Mr. Bock acknowledged members and guests that might want to share remarks. Chris Brown was the first person to speak to the Board. He had questions concerning his bill and being disconnected. He wanted the Board to double check the figures on his bill. General Manager, John Steib stated that he would be more than happy to meet with him to help resolve any concerns or questions.

Stallion Run developer Kevin Smith spoke next. He spoke briefly about his development and introduced himself to the Board prior to the agenda item of his non-standard water agreement. He and GM Steib have been working closely together for the past two years.

Item 3. Consent Agenda

- a. Director Rebecca Richards-Oldag motioned to approve September 16th, 2020 Regular Board meeting minutes. Director Don Dailey seconded the Motion. Motion passed unanimously.
- b. Vice President Earl Burklund motioned to approve financial reports for September 2020. The motion was seconded by Director Darrell Walenta. Motion passed unanimously.

Item 4. Old Business

- a. Justin Scarth, with MRB Group discussed the status of the Twin Creeks Crossing FEMA project. Justin reported that all approvals had been obtained to make repairs and a pre-bid meeting will be scheduled next week. Bids will open on November 17th and he will be able to report more updates at the board meeting in November. Justin was asked by Director Gil-Vallejo if he could give a cost estimate for the construction. He replied that the estimate is around \$430,000.

Item 5. New Business

- a. Authorize fiscal year 2020 annual audit. Mr. Steib presented to the board a written request to allow Valentine and Associates CPAs to process our 2019-2020 Audit. Mr. Steib said that for the 2021-2022 year audit he hopes to go with Sweeten CPA. Director Darrell Walenta made the motion, and Director Don Dailey seconded. The motion passed.
- b. Stallion Run Non-Standard Service Agreement. Stallion Run has been in the works for two years. This development is set to bring in 645 homes. Developer Kevin Smith was also present at the meeting. Director Ben Gray made a motion to approve the agreement presented to the Board and Director Rebecca Richards-Oldag seconded. Motion passed unanimously.
- c. Review Ranch Run Eastland Nonservice Agreement. Developer Chris Rawls, attended the meeting and introduced himself to the Board. His proposed development will add a subdivision of 66 homes on Schriber road and across from the build site of Creedmoor's new offices. Director, Don Dailey motions for approval of nonservice agreement, and motion was seconded by Director Ben Gray. The motion carries and is approved.

Item 6. GENERAL MANAGER'S REPORT, Discussion and Possible Action on Daily Operations and Related Matters.

- a. **Unaccounted for Water (UFW).**
GM John Steib spoke about his meeting with City of Austin. He stated that representatives from the City of Austin sat down with him and Matt Pickle and Justin Scarth from MRB, Matt Pickle, to discuss a new water contract. Basically, Creedmoor is requesting to be contracted as a wholesale customer. John reported that he felt the message was very well received and City of Austin also showed appreciation for

- Creedmoor's water conservation planning, Drought Contingency Planning and for activities encouraging re-use of any treated wastewater. Following this discussion, Mr. Steib then invited the Board's attention to the most recent updated Water Loss report showing a new record low of 1.26 %. He noted that we are consistently and accurately measuring the current month water purchases with the current sales. System leaks have been identified quickly and the Dorsett team have been quick to respond to limit water loss. Mr. Steib also commended his staff for their hard work and diligence to help keep the loss rate at the lowest point recorded in decades.
- b. **Water Bought / Sold.**
Mr. Steib gave credit to Operations and the Dorsetts for the continuous efforts to stop leaks and repair them as quickly as possible. John referred to Tab 4 of the agenda packet and pointed out that the amounts for water purchased to water sold were very close, in fact, there was only 4% of our total water purchased that was not actually sold which was truly remarkable.
- c. **Staffing**
Mr. Steib introduced two new staff members: Liza Arroyo, Customer Service Rep who has been with the company for 30 days, and Sheryl Mitchell, also a Customer Service Rep. who has been with the company for 90 days. He commended these women on their diligence and hard work through such a difficult period of dealing with the Covid-19 impacts and many customer issues.
- d. **New Building**
Mr. Steib gave a status update on the construction of the building. He stated that he did discontinue the contract with the previous contractor and has conducted interviews with three new potential contractors this week. John reported that assistance was requested and received from MRB in selecting a new contractor. Bids have been solicited and are due by November 2nd. We anticipate bids from two of the contractors, G Creek Construction and Workman. We are anticipating selection of the winning bid during the week of November 2, 2020.
- e. **Las Lomas**
Mr. Steib reported that we are waiting for reimbursement from Travis County for approximately \$289,000 expended to provide water service to the Las Lomas community. CMWSC Attorney Duncan Norton, reported that he had received word that Travis county is reviewing the contract and his interpretation was that they would agree to it and submit the contract to be placed on the Travis County Commissioner's agenda to be voted on for approval.
- f. **Bonita Vista.**
Mr. Steib reported that with the assistance of our legal counsel, Duncan Norton, he has completed the agreement with property owners within the Bonita Vista area. Final approval from the Bonita Vista group is anticipated soon. The participating property owners will form an LLC and will furnish payment to construct the line and prepare for connections. Subsequent new customers will be required to pay their share of the line

installation costs to the LLC and receive their approval before we set new meters. This arrangement will continue for 5 years, at which point the line will have ownership transferred to CMWSC and all requested new customers will be accommodated without approval of the LLC.

Item 7. Business Manager's Report

- a. Cassie Taylor reported that September brought an upswing to credit card payments.
- b. A hot September meant a surge in water usage, which also increased our revenue.
- c. She gave an update on an insurance claim for damages that occurred during a lightning storm in June. She stated that after speaking with the insurance adjuster, that after approval from the adjuster's supervisor; Creedmoor would receive \$22K.
- d. Cassie Taylor reported that late fees were reinstated in September, and from those fees on their own brought in revenues of \$12K.
- e. Cassie reported the balance on hand in the Surcharge Fund account at Broadway Bank. General Manager, John Steib, took this opportunity explain how and why this account was created and the purpose of the monthly deposit amounts. Essentially the fund will assist with payments that will become due when the second half of the TWBD loan is executed. He stated that currently we are paying on the first half of the loan and that the payments are half of what the second installment will be. Surcharge receipts are demonstrating that full payment of both loans will need to be subsidized. John explained that using the current surcharge receipts plus a monthly deposit of 50K will guarantee that the funds will be available when the secondary loan must be paid back. After the explanation John turned back to Cassie Taylor. She reviewed the various account balances at Broadway Bank and then introduced Customer Service Manager, Kristi Temple, to give customer account updates.

Item 8. Customer Service Manager Report

- a. **Late/Past Due Accounts**
Kristi Temple, Customer Service Manager, reminded the Board that October was the first month since February for disconnects. Letters were sent in August and September reminding customers that late fees would return in September followed by disconnects in October for those accounts that were in arrears and had not executed payment plans with us. The ladies in front worked to send out personalized letters to every past due account. She went on to report that on disconnection day, October 13th, 143 accounts were on the list, and by end of week the number drastically decreased to 26, with 6 of those accounts being renters. She also pointed out that in additions to account holders that were renting, the owners of the rental properties have also been notified. As a follow up they will revisit the accounts next week to make sure they are still locked and check to see if the customer has moved out. Scott Rickabough, Operations Support, reported to Kristi that two accounts that had tampered and locks were cut. These accounts were charged with tampering fees, and the meters were relocked.
- b. Kristi updated the Board on the fact that the since the conversion of post card bills to full page, the amount of returned mail and Members calling to state they never received a bill

falling to a minimal range. With all staff working together a new record was set for last month will bills printed on one day and posted the next.

- c. Kristi concluded with a thank you and well wishes to Nadine Hodges on her retirement on October 31, 2020. It had been a pleasure working and learning with her.

Item 9. Operations Manager Report

a. TCEQ Inspection

Operations Manager, Matt Pickle, gave a final report for our Compliance Inspection with TCEQ. He received an email that TCEQ reported zero violations and one minimal requirement that Creedmoor obtains readings for Saturdays and Sundays. He went on to give appreciation to all that helped him to compile all reports, permits and materials that were requested. He also thanked the Dorsett's and Gary Plant for the exceptional work cleaning up well site locations.

b. Barton Springs Edwards Aquifer Conservation District

Barton Springs notified Creedmoor that Stage 2 water restrictions for only 20% water pump usages are now in effect. Matt reported that all notifications from signs to postings on the website and Facebook have been done to inform all customers. He stated that based off past usage during this time, he feels confident that the usage will stay under the 20% requirement.

c. Key Operations Activity

1. Operations Manager, Matt Pickle reported that we had two equipment issues. The VFD (variable frequency drive) was damaged and had to be replaced at Well site 2. After reviewing the options, it was cost effective to purchase a new pump instead of doing repairs.
2. Work on finding easements is going steadily, the main focus has been based on project locations, but a team has been created to help find documentation for all easements.
3. Leaks have been on the decline. Matt gave credit to the Dorsetts for staying on top of the leaks and getting them fixed in a timely manner.
4. Justin from MRB Group, and Matt have been working together to help locate lines as the widening road projects have started.

Item 10. Executive Session

- a. Board went into Executive Session at 7:15 PM.
- b. Board came out of Executive Session at 8:15PM.
- c. The Board discussed personnel matters during Executive Session. President Bennie Bock, II stated that the Board was very pleased with General Manager John Steib's performance and the overall contributions to the company. After coming out of Executive Session they approved giving Mr. Steib a 5% raise, prorated to September,

1st, and to reward his past performance with a bonus of \$25,000.00. The General Manager expressed his sincere gratitude to the Board.

Item 11. Adjournment

Director Ben Gray motioned to adjourn the meeting. Director Bobby Burklund seconded.

Meeting adjourned at 8:20PM.