

Oak Forest Water Supply Corporation
Regular Meeting
3740 Ranch Road 967, Buda TX
July 5, 2016
Meeting Minutes

Board of Directors Present: Nancy Ellsworth, Dennis Carroll, Tony Blazi and Randy Hunt via phone
Employees: Bren Locricchio via phone
Guests: Phil Suitt, Lillie Suitt, Margaret Williams, Art Arizpe

Dennis Carroll opened the meeting at 7:04 pm.

Routine Business

The previous minutes were reviewed. Tony motioned to accept with Nancy seconding and the motion passed unanimously.

The June 30, 2016 OFWSC financial report was reviewed. Tony motioned to accept with Nancy seconding and the motion passed unanimously.

Old Business

Prior year's financial statements were reviewed by Randy. The year-end fiscal statements covering 11/2015-12/31/2015 showed a profit of \$21,081. This, along with profits of \$30,500 in 2014, \$68K in 2013 and that \$198K has been saved to use for repairs, provided ample justification that the company could support a paid general manager. After she was hired in mid-January, the GM began the process of investigating the red water situation. The first step was to look at the tanks and it was discovered that neither had been receiving proper preventive maintenance and therefore had substantial pitting and a large accumulation of iron and silt in the bottom of each tank. The necessary repairs totaled \$13,000. Therefore, when the annual meeting financials were presented, covering the time period of 3/10/2015-3/8/2016, only a \$5,503 profit remained.

Nancy discussed the GM's actions and initiatives. Dennis motioned to keep the GM position and Tony recommended to wait until the next meeting when all board members are in attendance.

Dennis discussed transparency and that we went with the best choice and cheapest bid for well house repairs. Moving forward, we will work at being more transparent.

Bren reported that Well 1 repairs which included jetting, a new pump, motor and shroud, were completed on 6/15 and PGMS put it back on line 6/15 after water passed bacteria testing. It is holding at 32 gallons per minute which is fantastic news. The well is currently 420 ft. deep with the pump set at 388 feet. This new setting is just above what is known as a good "fracture". All of this, along with jetting, clean filters, bi-weekly monitoring of meter readings and preventive maintenance should provide improved results. Additionally, the BSED has sampled the water and I will be sharing the results when they are made available in 2-3 weeks.

Bren reported that Joe Vickers is not going to be able to write a letter to be used for insurance filing. Schaefer said that failure appears not to be related to a power surge/strike. Instead, most likely due to poor preventive maintenance aka the board did not take action on the well pumpage readings that were provided by PGMS. This was verified by looking at the past 3 year's meter pumpage readings. Pump failure actually occurred in 2014 but no action was taken. Bren will still check to see if a claim would be allowable and file if appropriate but not likely since the pump actually failed almost 2 years ago. As a preventative measure, she will also monitor the pump meters bi-weekly to assure everything is pumping properly.

Bren had an electrical engineer look over the wellsite at no charge. Several safety issues were discovered. This was followed by a visit from the electrician at no charge who found additional items. These items will be repaired by the electrician at \$30/hour plus parts: Ground to pump 1 is severely rusted and broken off, outlet 1 is badly rusted outlet 2 has no faceplate, Box below control panel is missing the plug, Motor 1 is not working. Electrician will pull and take into the shop for evaluation. It appears that there is a possibility that it has been broken for quite a while because the breaker is off but we are not sure until the panels are pulled, neither motor is labeled and no electrical schematic is in the will house.

Additionally, the control panel is badly rusted and corroded. Electrician says it has been bad and in need of replacement for years. If it goes out, we are without water. Estimated cost is \$1,500-\$1,800. Tony motioned to replace the control box and Nancy seconded with the motion carrying. Bren will have the electrician order the panel and install it. The board will determine allowable blanket dollar amounts at the next meeting.

There has been a reoccurring comment over the years that Joe Vickers has never charged us for his services. In the process of paying Joe's most recent invoice, Bren noticed that actually, Joe is doing business as "The Wellspec Company". She reviewed the invoices that were in the files back to 2009 and they do reference Joe Vickers' labor on them. We have paid \$13,689 to The Wellspec Company since 2009. Records prior to 2009 are not in the files.

Bren spoke with Carroll Campbell of PGMS in Early June and he agreed that the fees are high and that he was actually seeking a new vendor. She also learned that the \$5 convenience fee that the customer pays goes to us so taking that into account, the last three-month average was 12%. Also, we have been averaging 4-8 users per month. Since we spoke, a new vendor, Elite Merchant Solutions, has been selected. Per Carroll, OFWSC will incur no fees to switch to the new vendor and the transition will be invisible to customers. He will find out if the old vendor, Avalon will charge a cancellation fee. Based on current use, the average savings per month between Avalon and Elite will range from \$20-\$30. The break-even point, meaning that OFWSC will incur no monthly cost is 20 users. We will watch expenses over the next 6 months to see if there is a savings.

At Paul Gravel's request, Bren contacted PEC and the light is the POA's, not the OFWSC's. It points to neighbor's lot. Bren requested it be fixed.

Bren reported that the cap on the storage tank had been moved to the side. The cap is too heavy and tight to be moved by wind. Zach and Dan think it was physically moved by unknown individuals. Maybe kids or maybe someone who wanted to look in the tank. Zach set it back straight and Bren got him a lock to put on the lid. Dan said that most of his customers also have a ladder lock that prevents anyone from climbing the ladder.

In addition to the concern of equipment tampering, the site contains several hazards including electrical, fall, trip, and pressurized tanks that could seriously injure or kill individuals who enter the yard. Bren posted hazard signs at both entrances. Therefore, after speaking with Zach, it was agreed that it was time to change the gate combinations. Now, only Zach, the chemical delivery person, Bren and Dennis currently have the combination. If other board members need it, please text Bren. All other visitors to the site will need to be escorted. Also around 9pm last Monday, Bren discovered that the bottom of the posting box was down and the board was on the ground. The wood was rotten so she installed a new box and also painted the whole front side of the fence since the touchup paint didn't quite match the existing paint.

The gate anchor on the east has been completely uprooted, concrete and all. Bren got a piece of rebar and tube and made a new anchor.

Bren requested that the board to consider purchasing a ladder lock at \$750 and two solar motion lights at \$60 each to be installed at the front of the property over the posting box and inside above the well house door. The board asked for more quotes.

The Customer Confidence Report (Annual Drinking Water Quality Report) was reviewed by Bren. The report has been prepared, filed and will be distributed to customers by PGMS. See attached.

Dennis mentioned that we might owe Schaefer money from years ago. Bren contacted Mr. Schaefer and he assured us that we don't. The money he never received was from Rocket Water.

New Business

Dennis discussed governmental boards and said that anyone who leads a meeting needs to go through 2 hours of online training which includes 1 hour Open Meetings Act and 1-hour Public Information Act. You will receive a certificate for each course and those should be sent to Bren for posting on website. The link to training is: <https://texasattorneygeneral.gov/fag/og-open-government-training-information>

Nancy lead a conversation regarding the long-standing POA board meeting agenda item. Dennis will attend the quarterly POA meetings.

Community Forum

Margaret Peterson discussed the Onion Creek Discharge issue and Tony expressed concern regarding jeopardizing our non-profit status by publicly getting involved in such issues.

Adjournment

At 9:09 pm Tony motioned that the meeting be adjourned. Nancy seconded and the motion carried. The next regular meeting will be August 2, 2016 at 7:00 pm.