

BANDERA RIVER RANCH WATER SUPPLY CORPORATION, INC.

ANNUAL MEETING - APRIL 7, 2018

DIRECTORS PRESENT:

Bonnie Tidball Harry Maxwell Ernie DeWinne Steve Malone Wayne Mauldin

OTHERS IN ATTENDANCE: 7 member guests were present

The meeting was called to order at 10:00 AM by President Bonnie Tidball, who welcomed all in attendance. She then announced that being that there were 12 members present, representing 10 households, a quorum had been reached and the meeting may proceed. Bonnie then announced that Donna Jones had requested to be allowed to present the Auditor's Report early in the Meeting due to another appointment she had afterward. Hearing no objection from the Board, Bonnie invited Donna to proceed.

Auditor's Report: Donna Jones, from EDE Management Company, presented to the Membership the 2017 Fiscal Year Audit, her independent report on the BRRWSC finances. Donna reviewed the current assets, fixed assets, net assets, current liabilities, and long-term debt for the corporation. Donna reported that this year the Corporation's financial statements have received an unmodified opinion, which is the highest rating that can be given. This means that the financial statements were fairly presented in accordance with Generally Accepted Accounting principles. She reported that BRRWSC shows total assets of \$1.5 million, and current liabilities of \$40,000, indicating that BRRWSC is in excellent financial shape. Donna then made a recommendation, regarding an amount of \$74,000 which BRRWSC holds which is not currently insured due to being over the FDIC limit. She recommended that the Company select another bank in which to deposit this amount, which would allow it to be FDIC insured.

Bonnie Tidball thanked Ms. Jones for her work and report on behalf of the Board, and then proceeded to the meeting Agenda. Bonnie introduced the Board Members, stating that there was no need to hold Election of Officers this year as no additional candidates had stepped forward. The BOD then voted by resolution, since there were no objections.

MINUTES: The Board of Directors and guests read the Minutes of the April 1, 2017 Annual Meeting.

MOTION: Ernie DeWinne made a motion to accept the April 2, 2016 annual meeting minutes as presented. Wayne Mauldin seconded the motion. The Board voted unanimously, and the motion passed.

UPDATE REPORTS:

- **Report of the Board President:** Bonnie Tidball reported BRRWSC accomplishments of the past year: Ernie DeWinne and Joe Ortega have been working on driveway cuts for watermain work. They have presented a method for this to ACC and been given approval for the method they are suggesting. Builders will now be required to use the same method in new construction in the community. Water loss is now down to less than 10%. Bonnie thanked Joe Ortega for doing a great job, using preventive maintenance and doing the job right. Bonnie then reported to the Membership about the condo tank leak earlier this year. She explained how it was found and repaired, and that the plan is to replace this tank next year. The new plant, Plant #3 now has posts in place and fencing to be completed shortly. Plant #3 buildings will also be painted soon and then inspected and placed on line. Bonnie thanked the entire Board for all their help in this

project. The past year also saw the completion of addition of faucet vacuum breakers on all residences who wished to have this done. Bonnie stated that the year was a productive and busy one, adding that there are still some things that need to be finished.

- **Treasurer's Report of 2018 Current Fiscal Year, as of March 31, 2018:** Ernie DeWinne reviewed the current Budget figures with Membership. He reported to the Membership that the Corporation is in very sound financial condition and that the Board does not anticipate any rate increases in the foreseeable future. 11 new homes brought an increase in gross income. The Board has increased staff salaries this year. Field operations costs stayed basically the same as last year. Ernie stated that the USDA believes the WSC to be a financially strong customer of theirs, and they are impressed with the professionalism of the WSC BOD. Ernie further stated that financially it has been a good year.

MOTION: Wayne Mauldin made a motion to accept the Treasurer's Report. Harry Maxwell seconded the motion. The Board voted unanimously, and the motion passed.

- **Report on Projects:** Joe Ortega reported they have been working on the water mains throughout the year; there have been 20 service leaks repaired and 6 new taps installed this past year. He reported that a total of 80 vacuum breakers were installed throughout the community. They have been working on the lines and feeds, adding more valves throughout to lessen the inconvenience to member-customers when there are leaks (fewer customers affected by a particular leak). They have added 1000 feet of water lines this year. They have improved the process of the patching of the roads when cuts need to be made. These are smoother and look nicer.
- **Operator's Report on System's Operations & Concerns:** Charlene Greenhill reported that she submitted the year-end report required by the County on water loss. She indicated that TCEQ also looks at water loss. Charlene also reported that there a lot of new regulations coming out due to interest from the EPA regarding waste water. There are also a lot of issues being looked at since the water problems in Flint, Michigan surfaced. She is now required to turn in additional reports to the EPA. BRRWSC water is showing a decrease in fluoride and iron. All levels are within state guidelines. Charlene reported that all WSC wells were tested, and tested well. WSC water is very hard, but this is normal for the area.

OPEN PUBLIC FORUM: There were no comments or questions from the Membership.

Ernie DeWinne discussed the upcoming fire hydrants project in the community. He explained to those present that our black hydrants are flush valves and not suitable for hooking up to a fire department pumper truck. He briefly reviewed the issues involved and the plan to upgrade the system to install true fire hydrants throughout the community over time. He noted that while a professional Engineer is not required for this type of project, BRRWSC's Engineer will be working with the Board as a consultant on this project.

Bonnie Tidball also indicated that another project which the Board will be pursuing is the replacement of the customer meters with electronic meters to reduce employee time spent reading meters each month.

ADJOURNMENT: With no other business or questions, Bonnie Tidball asked for a motion to adjourn the meeting.

MOTION: Wayne Mauldin made the motion to adjourn. Harry Maxwell seconded the motion, the motion carried unanimously, and the meeting was adjourned at 11:11 AM.

BRRWSC PRESIDENT, BONNIE TIDBALL _____

BRRWSC SECRETARY/TREASURER, ERNIE DEWINNE _____