

RUBY RANCH WATER SUPPLY CORPORATION

Annual Meeting Minutes for April 24, 2012

Attendees:

Scott Christians

Joe Collins

Thomas Doebner

Dale Olmstead

Matthew Scott

Steven Selger

David Smith

Pat King (PGMS) and Lori Hughes (Election Auditor)

1. Dale Olmstead opened the Annual Meeting at 7:02 pm.
2. All Board Members were introduced to the attending public. Members of the public were Sonny Hollub, Louis Krizak, Al Gmitter, Tom Wyoming, Perry Young, Lynsey Young, Kevin Rodriguez, David Fletcher, Glenn Robertson, Donny Bokor, Howard Lawder, Dean Olson, Susan Selger, Bob Follett, Joan Follett and Nancy Kaufmann.
3. Pat King of PGMS and Lori Hughes, election auditor, were introduced to the public.
4. Dale Olmstead announced that the vote on Propositions amending the By-laws and the election of four Directors for a two year term would be conducted, collected and given to Lori Hughes for tabulation.

President's Report:

5. Dale Olmstead informed the public 32,000,000 gallons of water from the Edwards Aquifer and 2,000,000 gallons of water from the Trinity Aquifer were used by members of the RRWSC during 2011 compared to a total of 29,000,000 gallons of water used in 2010. Dale stated that there were presently no drought conditions at this time, but encouraged home owners to continue water conservation practices. Dale also stated Alarm Stage Drought had been established by BSEACD April 2011, Critical Stage Drought in September 2011, back to Alarm Stage Drought in February 2012 and no drought in March 2012. He informed the public that RRWSC had adjusted the surcharge rates for the various drought Stages along with reducing the water rates in 15 of the categories in September 2011 effective October 2011.

Treasurer's Report:

6. Thomas Doebner presented the 2011 Income and Expense report for RRWSC and Balance Sheet for December 31, 2011. Thomas also presented the 2012 Income and Expense for RRWSC through March 2012 and the 2012 Budget. Thomas provided the

Ruby Ranch Water Supply Corporation
Annual Meeting Minutes
April 24, 2012

public with the RRWSC Water Rates which were effective October 2011. Thomas stated the Corporation is in good financial position.

PGMS Report:

7. Pat King stated buildings at both Plant #1 and Plant #2 have been cleaned and painted and the storage tanks had been inspected and cleaned. PGMS has inspected the pressure tanks which is a TCEQ requirement to be done once every 5 years. PGMS installed an aeration device at the Plant #2 storage tank to take care of gases and to improve water quality. PGMS has been changing water meters which show water usage over 1,000,000 gallons to improve accuracy of meter measurements. Pat stated in February 2012, TCEQ conducted its annual inspection of the RRWSC water system which passed with flying colors.

8. Dale Olmstead reported on the Trinity Well #5. He stated the depth of the well was 1,120 feet and could supply up to 200 gallons of water per minute. He stated the pump depth was 460 feet and set to pump 150 gallons of water per minute. Yard piping and electrical work have been completed and approvals have been received from TCEQ. Dale stated there presently is a concern with the water chemistry which includes TDS (total dissolved solids), sulfates and an excess amount of iron being found in the water. He stated water from the Edwards Aquifer, Well #4, could be blended with water from the Trinity Aquifer, Well #5 to meet TCEQ requirements for water quality. However, the fluctuations in iron quantity must be resolved by the consulting engineers and hydrologists before production proceeds. He informed the public that progress on this issue would be posted on the RRWSC web site.

9. The preliminary results of the vote are as follows:

Proposition #1:	40 votes yes	4 votes no
Proposition #2:	42 votes yes	2 votes no
Director Election:	Scott Christians	27 votes
	Joe Collins	30 votes
	Claude Green	22 votes
	Dale Olmstead	30 votes
	Steve Selger	39 votes

10. A motion was made and seconded to adjourn the annual meeting. Motion carried 7-0 and the meeting was adjourned at 8:30 pm.

Respectfully submitted,

Steven Selger
Secretary