

RUBY RANCH WATER SUPPLY CORPORATION

Meeting Minutes for May 21, 2015

Attendees: Joe Collins
Scott Christians
Thomas Doebner
Dale Olmstead
Matt Scott
Steven Selger

Excused: Pat Dorsett

Professional Consultant: Pat King (PGMS)

Meeting opened for business at 7:05 pm.

1. Dale Olmstead called the meeting to order and determined a quorum had been established.
2. A motion was made by Dale Olmstead and seconded by Matt Scott to approve the minutes for the April 9, 2015 Regular Meeting and Annual Meeting. Motion carried 6-0.
3. Pat King provided the Board with the Monthly Water System Operational Report dated May 21, 2015. Paragraphs 4 through 19 herein highlight the major ops report items and other items discussed with PGMS.
4. Pat King stated 1,489,400 gallons of water were pumped in April 2015 with a net water loss of 4.7%. The two regular bacteriological samples that were taken from the distribution system during April 2015 indicated no coliform organism found.
5. Pat King stated the water facilities are currently in good working order with no significant issues to report.
6. Pat King stated TCEQ performed a comprehensive compliance inspection to the water facilities on April 27, 2015. The following deficiencies were noted:
 - a. No records to indicate backflow prevention testing at residences have been performed.
 - b. No records to indicate tank inspections had been performed.
 - c. No records to indicate well meter calibrations had been performed.
 - d. No calibration logs for the chlorine analyzer.
 - e. No records of dead end main flushing.

Pat King stated efforts are underway to ensure these issues are addressed no later than July 17, 2015. The Board discussed with Pat King methods for conducting backflow prevention testing by homeowners of residences with pools and irrigations systems.

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7. Pat King stated on or about April 16, 2015 the communication line to Well No. 3 was found to be inoperable. The problem was the phone line, and Verizon was called to make the repair.

8. Pat King stated on or about April 16, 2015 the probes at both tanks at Plant No. 2 were lowered to create additional freeboard and allow improvement to the water diffuser.

9. Pat King stated on or about April 28, 2015 all well meters were calibrated.

10. Pat King stated on or about May 20, 2015 a new air conditioner was installed at Plant No. 2.

11. Pat King stated that he and Thomas Doebner performed a comprehensive review of the current RRWSC Tariff. The major focus of the tariff review was to ensure provisions of the tariff could be readily understood, administered and whether they deviated from industry standards. There were numerous areas identified where revisions to the current tariff would be advantageous. Thomas Doebner will continue this review and discussion will continue at the next Board meeting.

12. Pat King provided the Board with a request for a change in the rate that PGMS charges for their services. Pat stated this was largely due to the volatility of fuel costs over the past several years and the dramatic increase in cost for health care coverage. The Board will have this issue placed on next meeting's agenda for discussion.

13. Dale Olmstead asked Pat King if all 3 pumps at Plant No. 1 work simultaneously. Pat King thought this was the case, but would check to be sure.

14. Dale Olmstead asked Pat King what PEC found to be the cause of the overload that tripped out Well No. 5 three times in the past. Pat will check on this item.

15. Dale Olmstead again questioned Pat King for the reason the answering service was not working during the recent outage at Plant No. 2. Pat stated he will follow up on this request and get back to the Board.

16. The Board requested Pat King formally notify TCEQ in writing that RRWSC would not be implementing the Source Water Monitoring Plan.

17. Dale Olmstead stated the annual consumer confidence report would be due by July 1st and asked Pat King to supply a draft of this document for Board review and comment before being sent out to the public.

18. Thomas Doebner requested Pat King keep up to date on Customer Service Inspections (CSI) which are required by all RRWSC customers.

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19. Thomas Doebner informed the Board that Zach King of PGMS will soon be responsible for blending of Edwards Aquifer and Trinity Aquifer water at Plant No. 2. Thomas will meet with Zach to review this operation and provide him with the excel file for documentation purposes.

20. Board member Joe Collins suggested he reinstate his license to be certified as a Backflow Prevention Assembly Tester (BPAT) and could provide this service to RRWSC homeowners to satisfy the TCEQ required inspection and certification. Joe will check on this and get back to the Board.

21. Dale Olmstead informed the Board that the Lovelady Well, which BSEACD uses to determine drought status, was now 23 feet above drought stage and rising.

22. Dale Olmstead informed the Board Joe Vickers recommended treating Well No. 5 with chlorine to control bacterial and anaerobic growth from occurring and that he and Thomas Doebner had authorized Joe to proceed at a cost of \$2,000.

23. Dale Olmstead stated he has been working with Carroll Campbell of PGMS on making the usage graph on the monthly water bills larger and more readable. Dale approved a one-time cost up to \$150 to have this change made and work continues to get an acceptable graphic presentation.

24. Thomas Doebner presented the 2015 Monthly Well Pumpage data for each well. Thomas also presented the 2015 Income and Expense Report through April and part of May 2015. Thomas stated the Corporation is in good financial position.

25. The Board discussed renewing the Bond for Treasurer Liability. A motion was made by Dale Olmstead and seconded by Joe Collins to renew the Bond for Treasurer Liability for one year at a cost of \$250. Motion carried 5-0 with Thomas Doebner abstaining.

26. The Board discussed "Agreed Upon Procedures" prepared by Scott Christians for a possible Financial Review of RRWSC financial records. After Board review the procedures will be given to interested persons qualified to perform this service and supply quotes. This will also be placed on the RRWSC web site.

27. The RRWSC President and Treasurer were jointly given authority by the Board to approve non-PGMS expenditures less than \$2,500 without additional Board approval on November 15, 2012 and on January 10, 2013 and reconfirmed on October 15, 2014. A motion was made by Matt Scott and seconded by Steven Selger to revise this responsibility to read "President and Treasurer jointly and severally may approve non-PGMS expenditures less than \$2,500 without additional Board approval." Motion carried 4-0 with Dale Olmstead and Thomas Doebner abstaining.

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28. Dale Olmstead has received legal advice from Attorney David Klein confirming water supply corporations are prevented by law from charging our customers a fee on a transaction basis for paying their bills via a credit or debit card payment. A motion was made by Joe Collins and seconded by Thomas Doebner to discontinue pursuing the credit card payment option due to this legal opinion. Motion carried 6-0.

29. The Board discussed the appointment of officer positions. A motion was made by Joe Collins and seconded by Scott Christians to elect Dale Olmstead President, Matt Scott Vice-President, Thomas Doebner Treasurer and Steven Selger Secretary. Motion carried 5-0 with incumbents abstaining from voting on their own office position.

30. The next regular Board meeting will be held on July 9, 2015, 7:00 pm at Pat Dorsett's residence, 210 Humphreys Drive.

31. A motion was made by Dale Olmstead and seconded by Joe Collins to adjourn. Motion carried 6-0 and the meeting was adjourned at 10:30 pm.

Respectfully submitted,

Steven Selger, Secretary