

RUBY RANCH WATER SUPPLY CORPORATION
Meeting Minutes for February 11, 2016

Attendees: Scott Christians
Joe Collins
Thomas Doebner
Matthew Scott
Dale Olmstead

Absent: Pat Dorsett
Steven Selger

Professional Consultant: Pat King (PGMS)

Public: Lisa Fowler

Meeting opened for business at 7:00 pm.

Agenda Item I.

1. Dale Olmstead called the meeting to order and determined a quorum had been established.

Agenda Item II

2. Lisa Fowler addressed the Board to express a concern of her and other residents regarding the timely posting of water problems such as the discolored water observed on Sunday. She also remarked that the answering service told some that a pipe had busted and that the answering service was not available. Scott advised that a post was made to the RRWSC web site about 4:30 PM on Sunday and another update on Monday. In addition, Dale posted an update on the Neighbor Next Door social website. Pat King discussed what the cause could have been either: a) stagnant water in the ¼ mile long interconnect between Plant 1 and 2, and/or b) inadequate flushing of the system in general during the 2015 drought that may have allowed a buildup of solids along the pipe walls that became mobile when the pressure decreased, and c) inadequate flush rate and amount by PGMS on Saturday and Sunday. Matthew asked why PGMS was not on site early on Sunday morning to flush and when it was later reported by many customers of a general discolored water problem. Pat reported that the fireplugs were clear after flushing but the volume flushed was not known (which apparently was not enough). Dale Olmstead requested of Lisa what could be done differently on notification. Lisa stated she and others would like an email notification of water system problems to occur when problems become known.
3. Lisa Fowler asked what is considered a write-off of a delinquent account. Thomas Doebner advised that typically it involves accounts where the customer does not pay their last bill. The Board addressed this problem by requiring customers to post a \$150 deposit which has greatly reduced the number of delinquent accounts.
4. Lisa Fowler also excused herself and left at this point in the meeting.

Ruby Ranch Water Supply Corporation
Meeting Minutes
February 11, 2016

Agenda Item III

5. A motion was made by Thomas Doebner and seconded by Dale Olmstead to approve the minutes for the December 10, 2015 Regular Meeting. Motion carried 5-0.

Agenda Item IV

6. Pat King provided the Board with the Monthly Water System Operational Report dated February 11, 2016. Paragraphs I through IV highlight the major operations report items and other items discussed with PGMS.
7. PGMS Item I. Pat King reported the net water loss in December and January at -4.79% and +3.47% respectively is typical of the recent percentage seen in 2015.
8. PGMS Item IB. The two each regular bacteriological samples taken from the distribution system during December 2015 and January 2016 indicated no coliform organism found.
9. PGMS Item III A. Pat King reported that PGMS issued 43 letters to home owners that required backflow devices tested. PGMS received 21 certifications that this annual inspection had been performed. The status of the second letter regarding the remaining 22 customers was not known by Pat King. He will ask Carroll Campbell what the status is. Thomas Doebner provided 3 or 4 test certificates to Pat King at the meeting.
10. PGMS Item III B. Pat King reported that the lead/copper notice was mailed to all customers on January 28th as a result of the receipt of one sample at the TCEQ lab that arrived 7 hours after the 14 day detention time. The household samples are to determine if the household has a lead/copper problem and are chosen at random by TCEQ.
11. PGMS Item III C. Plant 2 shutdown. The Board and Pat King discussed the events that began Saturday with low pressure at Plant 2 and discolored water. Pat King reported that 2 probes (a probe at a sight glass and a probe in a storage tank) at Plant 2 were not functioning due to dirt/solids build up due to lack of flushing maintenance. In addition, it was determined that the auto dialer is not functioning correctly at Plant 2. The probes were replaced on Monday. After much discussion we concluded that: a) the auto dialer may need replacement (at a cost of \$2,500), b) the ground storage tanks were allowed to run out to low level over a several day period by the Operator, that perhaps the levels were not being checked or the Operator was not even on-site, c) the water meter on well No. 5 is not working and thus the blend ratios are not known, d) the Operator lacks awareness on how to adequately flush the system, e) the flush volumes may be inadequate since a flush meter or other volume indicator is not used, and f) apparently the Operator has no plan in place to address major breakdowns or downtime of Plant 2. Dale Olmstead does not think that the Operator fully understood the chain of events and underestimated what needs to be done. Matthew Scott remarked that the Operator and other PGMS staff should have been back on Sunday morning at 6:30 AM to restore plant operation and flush the system and assure that the system was clear in lieu of coming Sunday afternoon after repeated reports of discolored water were made by customers.

Ruby Ranch Water Supply Corporation
Meeting Minutes
February 11, 2016

Dale Olmstead requested that PGMS (Carrol) provide the log from the auto dialer that the auto dialer was responding to a call to it. Carrol had reported that he called in January but all it did was ring.

12. PGMS Item III D. Pat King reported that the impellor in the water meter on well 5 was cleaned and when replaced only worked for a brief time. Fluid Meters has been contacted for assistance.

13. PGMS Item III E. Pat King reported that the annual meeting notice was sent with the January water bill.

Agenda Item IV C.

14. Dale requested status of customer service inspections (CSI). Pat King stated that he does not know what the current status is.

Agenda Item IV D.

15. Dale requested what is the status of PGMS readiness to respond to the new TCEQ rules on coliform testing. Pat King advised that PGMS staff require additional training to implement the new coliform testing rules by the April 1st.

16. Thomas Doebner expressed concerns to Pat King that it may be necessary for PGMS to test for a leak where Ruby Ranch HOA laid an apron over the water line at the creek crossing 100 yards north of the 4-way stop on Ruby Ranch Road.

17. Thomas Doebner requested that PGMS staff prepare the TCEQ water loss report that is due every five years.

18. Joe Collins excused himself at this point in the meeting due to illness.

19. Thomas Doebner reported that he received an unsolicited form letter from Undine to discuss the potential purchase the RRWSC system should we have any interest. After discussion it was unclear what obligation, if any, does the Board have regarding a response to this inquiry. Thomas will forward the letter.

20. The Board continued discussion of the discolored water event on Sunday after Pat King's departure. Dale Olmstead wanted to address customer communication ideas. Several ideas included: 1) email notification per our list of boil water notice recipients, but how do we do it, what facts do we present, and who does it; 2) use the Ruby Ranch Neighbor Next Door (NND) web site as notification method; 3) it was observed that PGMS did not notify the Board members of a problem, where many found out from reports by other neighbors, 4) Scott Christian's opinion is that we should be proactive in our communications using the RRWSC, HOA and NND web sites; 5) Thomas Doebner stated that we should hire an independent person for communication of problems and have the 866 number roll to the Communication Director or PGMS staff; 6) Matthew

Ruby Ranch Water Supply Corporation
Meeting Minutes
February 11, 2016

Scott added that PGMS staff should always be the first contact and that it should roll in their organization as Operator.

21. Dale Olmstead advised that he wants to have a face to face meeting with Pat King about options to replace Zach as Operator of the RRWSC water system since the 866 after hours number is not working and that Zach seems to be the common denominator in all of our issues over time. The board concurred with this idea.

Agenda Item V.

22. Dale Olmstead advised that the TRWA completed and filed the report to the State of Texas Comptroller's office on the eminent domain authority of the RRWSC. The cost should be \$150 for the first year. Dale had submitted the Eminent Domain Reporting Subscription Form to TRWA.

Agenda Item VI.

23. Thomas Doebner presented the 2015 and 2016 Monthly Well Pumpage data for each well. Thomas also presented the 2015 and 2016 Cash Flow Report through February 2016. Thomas stated the Corporation is in good financial position. In January 2016 Thomas moved \$10,000 into a CD such that RRWSC now has (4) 24 month CDs that mature in January and July. Thomas reported that the gain in the checking account for all of 2015 was \$39,817.08. Thomas also reported that PGMS has been inconsistent in their billing of the management fee of \$3892.09 vs. \$2,963.15. Thomas was reminding PGMS staff of their shortfall but ceased doing so after repeated reminders.

Agenda Item VII A.

24. Thomas Doebner reported that he had implemented the four recommendations adopted by the Board from the 2015 Financial Review Response findings noted per the report done by Donna Bjornson. The changes that Thomas implemented are attached to and made a part of these minutes.

Agenda Item V11 B.

25. The agenda item under existing business for potential write-off of delinquent accounts was discussed. Only four past due accounts remain, two since 2011. The Board has chosen not to write off any accounts. The Board addressed this problem by requiring customers to post a \$150 deposit which has greatly reduced the number of delinquent accounts.

Agenda Item VIII A.

26. The Board agreed to use the Annual event/Task Calendar created by Dale Olmstead as a informal yet informative guide for the use of the RRWSC Board to prompt agenda items. The guide is attached and made a part of the minutes.

Agenda Item VIII B.

27. The Board discussed whether to take a formal stance regarding Dripping Springs' TCEQ sewage effluent discharge permit application. TCEQ administratively approved of the

Ruby Ranch Water Supply Corporation
Meeting Minutes
February 11, 2016

permit. The concerns expressed by Dale Olmstead were that the treatment plant operation was critical due direct recharge features supplying the Edwards Aquifer and that the PPM of phosphates and nitrates will be higher in the treated water. Matthew Scott pointed out that the plant would replace hundreds of individual aerobic and anaerobic septic tanks that overly the Edwards, that the treated water produced by the plant is essentially to a drinking water standard, and that the City of Austin dumps great quantities of the same effluent into the Colorado River without harm upstream of Bastrop. Thomas Doebner proposed a motion that the RRWSC oppose the Dripping Springs discharge permit by letter drafted by our legal counsel David Klein to the TCEQ and Dripping Springs. Dale Olmstead seconded the motion and the motion carried with three yeas (Dale Olmstead, Thomas Doebner, and Scott Christians) and one nay (Matthew Scott). Dale Olmstead to contact Klein and determine our options, costs and liabilities to oppose the application.

Agenda Item VIII C.

28. Dale Olmstead opened discussion concerning the RRWSC Annual Meeting scheduled for April 26, 2016. Per Pat King letters were sent to all members by PGMS in the January 28 water bill. Director applications are due on or before March 12th so the Board has to meet after that date. Dale Olmstead will draft two cover letter alternatives, a draft meeting agenda, a draft formal ballot for the meeting packet letter that is due by March 27th. After March 12th the board will have to determine if an official ballot is necessary before March 27th and select an election auditor if an election is held. The terms of Dale Olmstead, Joe Collins, Steve Selger, and Pat Dorsett are expiring this year. Matthew Scott will contact Lori Hughes and ask if she would serve as the election auditor, if an election was held.

Agenda Item IX.

29. The next regular Board meeting will be held on Thursday, March 17, 2016, 7:00 PM at Scott Christian's residence at 100 Creekside, Buda, Texas, 78610. .

Agenda Item X.

30. A motion was made by Thomas Doebner and seconded by Scott Christians to adjourn. Motion carried 4-0 and the meeting was adjourned at 10:30 PM.

Respectfully submitted,

Matthew Scott, Vice President