**SPRINGS HILL WATER SUPPLY CORPORATION**

**MINUTES OF THE ANNUAL MEETING OF THE MEMBERSHIP**

**APRIL 4, 2017**

**------------------------------------------------------------------------------------------------------------**

The Board of Directors and Owner/Members of Springs Hill Water Supply Corporation (“Springs Hill WSC”) met for their Annual Members Meeting on Tuesday, April 4, 2017 at 7:00 PM. The meeting was held at the Seguin Silver Center which is located at 510 East Court Street in Seguin, Texas.

**Item 1:** **Call to order** –Vice**-**President, Ronnie Glenewinkel called the meeting to order at 7:00 P.M.

**Item 2: Introduction of Staff Members in attendance** – Jeanne Schnuriger introduced the Springs Hill WSC Staff present, along with their tenure: Atilano Aguero (17 years), Assistant General Manager; Frances Garcia (11 years) Office Manager, Carol Ronshausen Inventory Administrator (26 years), and Office Staff Devan Herrera (4 years), Julia Gonzales (2 months), Leticia Sanchez (2 years) and Barbara Strey (4years). Jeanne also wanted to recognize Ed Gay who has been with SHWSC for 16 years as a meter reader and is retiring as of Thursday and moving to California.

**Item 3: Introduction of Current Board Members:** – Bernie Mueller introduced the current Board of Directors in attendance: Ronnie Glenewinkel and Debbie Magin. He also introduced Nancy Turner P.E. from M&S Engineering, and Kim Roach with Armstrong, Vaughan & Associates P.C.

**Item 4: Introduction of Re-elected Board Members and Declaration of Election Cancellation:** Bernie Mueller announced that James “Bubba” Martin and Steven Ramsey have been declared directors of Springs Hill WSC, filling the positions that had terms expiring this year. Director Mueller read the declaration of the Board of Directors that Mr. Ramsey and Mr. Martin were unopposed candidates for the two vacant director positions and that the election had been canceled. A copy of that declaration, the Resolution from the February 28, 2017 board of directors meeting declaring James Martin and Steven Ramsey as directors of Springs Hill Water Supply Corporation and canceling the April 4, 2017 director’s election, is attached hereto as **Attachment A**.

**Item 5:** **Approve Minutes of April 5, 2016 Annual Meeting –** Bernie Mueller asked if the members had time to review the minutes and then if anyone had any changes to the 2016 minutes. Marvelann Jenscke moved to approve the minutes of the April 5, 2016 annual meeting as presented and Mona Mayes seconded the motion. Bernie Mueller asked if anyone had any questions, and there being none, he took a vote. The Motion was unanimously approved by the membership. (16-0)

**Item 6: Audit Report of 2016 –** Kim Roach of Armstrong, Vaughan & Associates PC presented the audit results. She provided the members with a summary of the Springs Hill WSC audit, a copy of which is attached hereto as **Attachment B**. She stated there were no significant deficiencies and no compliance issues in the audit. Kim further reported that the Net Assets were up approximately $566,014 from 2015; water sales were down approximately one hundred thousand in 2016 from 2015; operating expenses were up in 2016; and operating revenues decreased due to lower sales volume. Kim commented that Springs Hill WSC was in a good position because it has enough current cash and cash equivalents to cover 16.8 months of operating expenses. Marvelann Jenscke asked if we had any old equipment that needed to come off our inventory because it had been depreciated beyond its life time. Kim responded that a large adjustment had been made this year and another will be made next year to keep the asset list current.

**Item 7:** **Presentation regarding System Report/Capital Improvement Plan –** Nancy Turner presented a power point presentation, detailing the five sources from which Springs Hill purchases water for its customers; a map of Springs Hill WSC’s water service area, known as its CCN area; and a map showing the locations of the water intakes to the water system for each of the 5 sources of water. Nancy reported that Springs Hill WSC’s current water usage is only 36% of its available water supply. There are 7,774 connections within the system, with approximately 65 gallons of water being used per person per day. Nancy moved on to discuss the Capital Improvement Projects for 2017, which should include:

(1) The State highway 123 Booster Station is being upgraded and brought back into service. Improvements include replacing the pumps and upgrading the building.

(2) A new elevated storage tank will be added near the CMC property for added fire protection for CMC. This construction is contingent on developer commitment and CMC to pay for the tank.

(3) The Lake Placid Treatment Plant has been evaluated and SHWSC will continue to work to solve any Trihalomethane (TTHM) issues.

(4) SHWSC will continue to monitor for areas within the CCN that need pipe replacement.

(5) A new field service office building will be built behind the current office building.

(6) An emergency connection is being installed along Highway 123 North with the City of Seguin. In case SHWSC ever has a problem getting enough water from CRWA.

Marvelann Jenscke asked if we were providing water to Niagara? The general Manager responded that we are not providing them any water it is being sold to them by the City of Seguin.

**Item 8: Owner/Members to address meeting –** Ronnie Glenewinkel asked if anyone had signed up to address the board. It was determined that no one had signed up to speak.

**Item 9:** **Attendance drawing –** Ronnie Glenewinkel drew the tickets and the following winners were announced: Devan Herrera won $100 cash, Marvelann Jenscke won a $100 credit to his water bill, Kim Burns, Mona Mayes, Franklin Bode, Jerry Schneider, Marilyn Hartman, Brenda Engelmann, Mary Schneider, Dorothy Schneider, Marcie Helmke, James Parsley, and Darvin Schneider each won a $36.00 credit toward their next water bill and the New Berlin Fire Department won the second $100 in cash.

**Item 10: Adjournment:** Bubba Martin thanked the members for their attendance and adjourned the meeting at 7:34 pm. Refreshments were served.

Prepared and recommended for approval by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary

Approved by Members and Board of Directors on April , 2018

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

President