

September 10, 2024

**RE: Springs Hill Water Supply Corporation Special Meeting of the Membership
and Conversion to Springs Hill Special Utility District**

Dear Springs Hill Members,

A couple years ago, Springs Hill Water Supply Corporation (Corporation), a non-profit corporation, set out to convert itself into Springs Hill Special Utility District (District), a political subdivision of the State of Texas, in large part to obtain access to participate in regional water supply projects and enjoy lower interest rates on future debt issuances for such water supply projects. In the 2023 Regular Session, the Texas Legislature created the District. Then on May 4, 2024, the District's residents voted to confirm the creation of the District. Now, the Corporation and the District both exist as separate entities.

The last phase of this Corporation-District conversion process is to transfer the Corporation's assets, debts, and contracts to the District. Once that transfer is complete, the Corporation will be terminated and the District should begin operations in earnest by November 2024. The conversion from Corporation to District should not have a major impact on day-to-day operations or cause any interruptions in water service.

To kick off this last phase, the Corporation's Board of Directors recently approved a Resolution to recommend the winding up of the Corporation, along with a distribution plan outlining the transfer of assets, debts, and contracts. Now, the Corporation's Members are required to vote on the Board of Directors' recommendations. So, the Corporation is calling a **Special Meeting of the Membership on Tuesday, September 24, 2024, at 7:00 p.m., at the Silver Center** (510 E Court Street, Seguin, Texas) to conduct such vote.

Enclosed is notice of the Special Meeting of the Membership, the distribution plan, and the official ballot. The Corporation's Members may **(A) vote early by mail or drop off, or (B) vote in-person at the meeting.**

Mail-In

Springs Hill Water Supply Corporation
Attn: Ballots
P.O. Box 29
Seguin, TX 78155

Drop-Off

Springs Hill Water Supply Corporation
5510 S. St. Hwy 123- Bypass
Seguin, Texas 78155

Front Office: during business hours

Drive Thru: all hours

Early voting ballots must be received by Monday, September 23, 2024, at 12:00 p.m.

You must be a Springs Hill Water Supply Corporation Member to vote, which you can verify by checking the name on your water bill or stopping by our office during business hours to look at the list of eligible Members. Only one vote is allowed per Member.

If you would like more information about the purpose of this Special Meeting of the Membership, a detailed written explanation is posted on our website at springshill.org and available at our office. Thank you for your support and we are excited for this next chapter in Springs Hill's long history of service to its community!

Sincerely,

Mike Andrews
General Manager