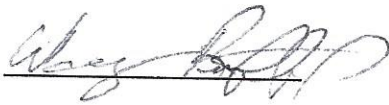


Subject: Minutes for the DRWSC May 8, 2017 Regular Meeting

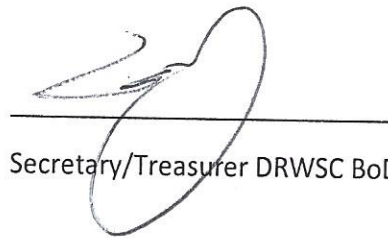
1. The DRWSC Board of Directors conducted a regular meeting on May 8, 2017 at the DRWSC office located at 7480 FM 2410, Belton TX 76513.
2. Directors present: Wayne Rutherford, Chris Black, Doug McKenney, Brian Williams and Dave LaCroix.
3. The President declared a quorum and the meeting was called to order a 6:06 pm.
4. No one signed up for the open forum.
5. First on the agenda was a review of DRWSC's portfolio by Mr. Gary Knight who is a financial advisor with Edward Jones. DRWSC has three \$100K certificates of deposit with a total value of \$303,254.00. One of the CD's matures in August 2017 and the board will need to decide what to do with the money, use or reinvest. Of the \$303K DRWSC must earmark approximately \$120K as collateral for our existing CoBank loan.
6. The minutes for the April 10, 2017 DRWSC meeting were reviewed. Mr. LaCroix motioned they be approved as written, Mr. Rutherford seconded. Minutes were approved by all.
7. Financials/General Manager Report.
 - a. Mr. Black reviewed the First Texas Bank statement and Adjustments. Per the First Texas Bank statement DRWSC exited the month of April \$6695.47 in the black. A detailed list of the checks for April was not available however there were no out of the ordinary checks such as pump or motor rebuilds. The abrupt release of the Quickbooks operator resulted in several reports normally reviewed not being available.
 - b. On adjustments, there was one very noticeable one to be addressed at the June meeting, account #674 (Trey Gallaway) for \$60,392.18.
 - c. Mr. Seffrood, GM, provided statistics on new or surrendered membership, disconnects/reconnects, and water loss during March. One break during April was caused by an owner digging and damaging a DRWSC line. A repair bill for that owner is being prepared. DRWSC received a letter from TCEQ stating it had corrected all actions and paid the fines for violations formally identified in a May 24, 2016 letter.
8. At 7:25 pm the BoD moved into an Executive Session IAW Texas Open Meetings Act Section 551.074, Personnel Matters. BoD resumed the regular meeting at 7:47 pm.
9. Old Business
 - a. Water loss continues to be an issue with a reported figure of 51.26% on the April Directors Report. DRWSC will conduct a 100% manual read of all meters in May to validate meter numbers, physical meters vs RVS, and readings. Additionally, the TRWA Circuit Rider, James Smith, will work with the GM to physically identify and check known and possible connections to either CTWSC or Belton water systems.
 - b. Some discussion on either buying a physical server to run Quickbooks and RVS on in the office or use a cloud solution. Options with costs will be prepared for the next meeting.
10. New Business
 - a. Mr. Black submitted in writing his resignation effective 29 May 2017 due to sale of his house on 30 May 2017 and transfer of membership. The Board approved his resignation. Mr. Black motioned that Anjie Martinez be appointed to fulfill the remainder of his term. Mr. McKenney seconded, all approved.
 - b. Mr. LaCroix also submitted his resignation in writing effective immediately, the board accepted his resignation.
 - c. Mr. Williams motioned to appoint Steve Shepherd to fulfill the remainder of Mr. LaCroix's term, Mr. McKenney seconded, all approved.

Dog Ridge Water Supply Corporation
P.O. Box 232
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- d. The Board agreed on an SOP that the President publish a draft agenda NLT the Thursday prior to the next regular meeting and that all directors submit changes/additions to the front office NLT noon on the Friday (or last working day) prior to the next regular meeting. The front office will then publish on the DRWSC web site the final agenda NLT 72 hours prior to the next regular meeting.
 - e. Mr. Rutherford report the Opinion of Counsel for a new CoBank loan was positive however no action was taken on approving a new loan at this time.
11. Meeting was adjourned at 8:10 pm (Mr. Black motioned, Mr. Rutherford seconded, all approved). Next regular meeting on June 12, 2017.



President, DRWSC BoD



Secretary/Treasurer DRWSC BoD

