

Bitter Creek Water Supply Corporation
Sweetwater, Texas

Annual Meeting

Minutes

April 28, 2017

The annual meeting of the members of the Bitter Creek Water Supply Corporation was convened at 6:00 P.M., April 28, 2017 at the Fourth and Elm Church of Christ, Sweetwater, Texas. President Posey, presiding, declared the meeting properly announced under the Texas Open Meeting Act, and a quorum present and voting. The board members present were: Kathy Arrant, Scott Lambert, Larry Martin, Jeff Posey, Rupert Rodriguez, Shelly Scherwitz and Jamie Witt.

Special guests included Michael Hamby (Merritt, McLane & Hamby P.C.), Morris Hardin (BenMark Supply) and Greg and Crystal Althof (Althof Wells).

Previous to calling the meeting open for official business, Jamie Witt voiced an opening prayer. This was followed by a meal catered by Josh and Jody Helms from Rough Creek Catering. There were 60 total in attendance.

The minutes of the previous annual meeting held on April 22, 2016 were read by Shelly Scherwitz. A motion to approve the minutes was made by Terry Scherwitz and seconded by Rupert Rodriguez. The motion carried with no dissenting vote.

Michael Hamby of the independent accounting firm of Merritt, McLane and Hamby P.C. of Abilene, Texas, presented the 2016 Audit Report to the members. Mr. Hamby gave BCWSC a clean and unqualified opinion. Jamie Witt made a motion to approve the audit report and was seconded by Ted Posey. The motion carried with no dissenting vote.

President Posey welcomed those in attendance and then presented his Annual Report. The report of Mr. Posey has been attached and hereby made a permanent part of the minutes. Mr. Posey presented Raymond Lambert with a plaque for serving on the BCWSC board from 2008 through 2016. He also recognized past board members Alton Pyburn and Terry Scherwitz.

Shelly Ragland gave the Corporation Manager's Report. The report of Ms. Ragland has been attached and hereby made a permanent part of the minutes.

President Jeff Posey announced that three board seats were open. He then read a resolution declaring the election of unopposed candidates. Scott Lambert, Pat Sadler and Shelly Scherwitz were elected by Acclamation.

In closing President Jeff Posey thanked the members of BCWSC for their comments and concerns. He also thanked the board members and employees for their time and work spent helping the corporation.

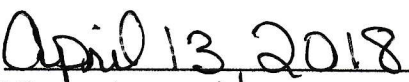
Area merchants provided door prizes which were awarded to members. A list of the merchants has been attached and hereby made a permanent part of the minutes.

With no further business before the meeting, Terry Scherwitz made a motion to adjourn the meeting and was seconded by Pat Sadler. The motion carried with no dissenting vote.

The Annual Meeting of Members adjourned at 7:32 P.M.



President, Board of Directors



Minutes Approved



Secretary, Board of Directors

ATTACHMENT 1
Bitter Creek Water Supply Corporation

President's Report 2017

Thank you for being here this evening, I appreciate each one of you who has taken time from your schedule to attend the Annual Meeting. I want to thank Shelly Ragland for the job that she has done this past year. Although we have made some improvements in water loss, there is still room for more improvement. Great strides have been made on the financial side of the corporation. As noted by the financial report from Michael, many cost saving improvements and carefully watching spending has made the corporation more responsible and cost efficient.

A few changes in personnel have taken place this past year. Pace Morgan and Michael Mill have left the corporation for other job opportunities. Phiny Posey was filling in as part time help in the office until January, when she became a full time employee. The employees of BCWSC are Shelly Ragland, Rodney Nelson, Paul Gutierrez and Phiny Posey.

Water loss is reported at 45.3%! This much improved over the 58.8% in 2015. The Board continues to work with employees on ways to improve water loss. Replacing master meters, finding and installing cutoff valves, are just a few of the ways to continue improving water loss. As a customer, you can help also. Please report any water standing, green areas that are not natural or any other suspicious looking areas that might be a leak.

BCWSC is still working with SUN Water. A contract has been agreed upon and we are waiting for SUN to receive funding and began construction. Once construction is completed, then BCWSC will begin selling water to SUN Water Corporation. With the sale of water to SUN, BCWSC can begin replacing more pipes.

In closing, I want to thank the employees for their work and dedication to Bitter Creek. As customers, we tend to only notice when the water is not working, when in reality, water is flowing to your homes at a much larger percent of the time than it is not flowing properly. You also don't see that someone has to be on call at all times to go out in the middle of the night, in the elements to keep the water flowing.

To the members of BCWSC, thank you for your comments when you had them, for your concerns when you had issues and for the thank-you when they were given.

I would also like to thank each one of the board members for their time and work that they have spent in helping BCWSC. First, to bring a clean safe water supply to your home, farm or business and second by working to keep cost at the lowest possible price. Also to the wives, husbands and family member of our board members, I say from all the members of the corporation, thank you for giving up personal time in exchange for these men and women to serve on the board. I know each board member could have some other place to on the fourth Monday of each month.

At this time, I would like to ask Raymond Lambert to come forward and receive this plaque, in appreciation for serving on the board from 2008 through 2016.

2017 Annual Meeting Speech

Good evening. I am so glad to have the opportunity to speak to you tonight. As some of you may know, I have been managing the system alone since May of 2016. I just want to thank you for the opportunity to serve you as a manager! Since I have been employed with Bitter Creek almost four years now, I have had many opportunities to go to educational classes to learn more about the water industry. I have been eager to go because I have a great passion for you as my customer and the systems integrity as a whole. These classes are produced by the TRWA for the most part, which follows the rules and regulations of Texas Commission on Environmental Quality and the Public Utility Commission to great detail. In these classes they give the professionals like me, loads of information. Some of which I have been working to implement within the internal side of Bitter Creek prior to becoming manager. There are still some holes in the data, but we will get there eventually. I know that giving information can be tiresome and frustrating, but as you all hear me say quite often, it takes a team to make things work properly! We think of you as part of our team! Without your help, we will not make it very far. So, I appreciate all the help that you give us and will be giving us in the future!

I have worked diligently this last year at getting our water loss down and improving our systems integrity. We have replaced master meters and installed check meters in several places. When something broke we didn't just repair, we replaced it if it was warranted. We have worked through data to make sure that it is being collected and processed as it should be. We have changed how we perceive situations and how we address them. I have looked to several of the professionals at TCEQ and TRWA for help on formulas and many other processes that help within the system. They have helped us out greatly! The tools that they have given me have made major improvements in many areas.

When I took over as manager, I was informed of several requirements that were needed to be able to run a WSC. One thing that we needed was I had to go to school to get a Class D Water License and Customer Service Inspector license. I am currently scheduled to take the exam for my CSI and I have already received my Water license. Once I receive the CSI licenses, I will have to implement a Cross Connection Control Program. Each of our connections will have to be inspected and brought up to regulation. This is one of the requirements that I have recently found that we need to be in compliance with TCEQ as a system. This will be where I will need your help and I have not had a chance to speak with the board

ATTACHMENT 2
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yet on how we are going to address any deficiencies. I do know that there will be many members that will need cut-offs on their side immediately after the meter. This has been a requirement of TCEQ for many years, but we have just become privy to it along with others that need to be addressed. We need to move forward with the Cross Connection first, then we will address others as needed from there. I will have handouts made up in the office just like the ones that you have in front of you and there will be a hand book of the rules there for you to look through at your will. If you have any questions concerning this, we can address them later. You have my number and I will be glad to help you anytime.

As you all know we installed the new meters in the system over 2014 and 2016. We have noticed a great improvement with the AMR meters. They have helped with water loss and they have also helped with customer leaks. They have become an amazing part of our system. This is another reason for needing the customer cut-offs on their side of the meter. These meters can be damaged by turning on and off the cut-off on the corporation side. They are very expensive and we don't want the customer to have to pay for one that has been damaged by doing so. Our side has to stay on at all times. This is also in the Cross Connection rules. We have handouts for you with that information on these as well. If you have any questions, feel free to call me and I will help you to understand how to read them better.

One thing that happened last year is that we missed our testing time for Lead and Copper. When I received the letter stating that we had a violation, I called TECQ immediately and they informed me that I was not alone in that violation. They said that there were about 80% of the WSCs in Texas that missed it due to the fact that TCEQ was no longer mailing out the sample bottles with the window dates to get them processed within. I took a deep breath then and asked what I needed to do to make us in compliance. They told me that we needed to take samples in 2017 between the June and September. So, we will be taking care of this in the coming months.

I would like to introduce my amazing crew that has helped make Bitter Creek a much better place to work! Phiny Posey is our Customer Service Representative. Paul Gutierrez and Rodney Nelson are our Field Operators. Please give them a hand for a job well done!

I appreciate your time and patience with me tonight for there is a lot of information that I needed to get out to you all at one time. I hope that you all enjoy the evening and get to take home an awesome door prize. Thank you and God Bless you all.

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