

**WHITEWATER SPRINGS  
WATER SUPPLY CORPORATION**

**MINUTES OF A MEETING OF  
THE BOARD OF DIRECTORS**

**August 20, 2012**

The Board of Directors of the Whitewater Springs Water Supply Corporation (the "Corporation" or "WSWSC") met in a regular session, open to the public, inside the service area of the Corporation, at the Joanne Cole Mitte Memorial Library, Bertram, Texas 78605-0243 on August 20, 2012 at 3:00 p.m. A copy of the notice of meeting along with associated certificates of posting are attached as "Exhibit A."

The Corporation's Legal Counsel called the roll of the members of the Board of Directors:

Director Frank Carmanica  
Director Bill Hiers  
Director Jack Merkel  
Director Jim Reedy  
Director Richard Sherman

Directors Caramanica, Hiers, and Reedy were present, thus constituting a quorum of the Board of Directors. Directors Merkel and Sherman were absent. All directors present voted on all matters that came before the Board. Also in attendance at the meeting were Randy Wilburn, Tim Young with PGMS, and the following members: Dean and Marjorie Dearthmont, Patricia Reedy, LaDale Young, John and Priscilla White, MJ Hansen, Ken Dreger, Leonard Urbanovsky, Eldon McGill, Allen Palmer, Priscilla Thorp, and Bill Bussell.

President Hiers called the meeting to order at 3:00 p.m.

**Regular Agenda**

**Item No. 1**

Item No. 1 was to call roll of members and the regular meeting to order. Directors Frank Caramanica, Bill Hiers, and Jim Reedy were present, thus constituting a quorum of the Board of Directors.

**Item No. 2**

Item No. 2 was to review and approve minutes from the June 14, 2012 directors' meeting. Director Reedy made a motion to approve the minutes as presented. Director Hiers seconded the motion, and it **PASSED** unanimously.

## **Citizens Communication**

### **Item No. 3**

Item No. 3 was to receive citizen communication on items not on the Agenda. Ken Dreger asked whether the Corporation required a Customer Service Inspection for any property with a Rainwater Collection system. Counsel Wilburn stated it was his belief that State law did require such an inspection anytime there was a well, swimming pool, rainwater collection system, or other potential source for cross contamination with the Corporation's public water system. However, he advised that he would research the issue, and provide the Board with a definitive answer to the question. The Board took **NO ACTION** on this item.

## **Old Business**

### **Item No. 4**

Item No. 4 was to discuss, consider, and take action as necessary regarding operational issues of the system, including the Operations Report from PGMS. Tim Young of PGMS gave the Board a presentation of the status of the system, including operational issues for the month. He apologized on behalf of PGMS for their billing error, and he noted that PGMS had revised the bills for mailing.

The Board then discussed the Corporation's website. Jim Reedy volunteered to be responsible for the Corporation's website. Director Hiers made a motion to authorize Jim Reedy to investigate a web hosting service for the Corporation's website. Director Caramanica seconded the motion, and it **PASSED** unanimously.

### **Item No. 5**

Item No. 5 was to discuss, consider, and take action as necessary regarding the billing issues, including a Customer request to be placed on a payment schedule. Director Hiers noted that one potential member had presented him with evidence of a financial hardship, and this potential member asked to enter into a Deferred Payment Agreement to pay the membership fee. Director Reedy made a motion to approve entering into a Deferred Payment Agreement with the potential member, deferring payment of the membership fee to 10 monthly payments of \$50 above the member's water bill. Director Caramanica seconded the motion, and it **PASSED** unanimously.

### **Item Nos. 6 and 8**

Item Nos. 6 and 8 was to discuss, consider, and take action as necessary regarding the Corporation's financial report, including the Corporation's tax-exempt status, and to discuss, consider, and take action as necessary regarding the Corporation's opening of a bank account in Dripping Springs, Texas. Director Caramanica and Counsel Wilburn explained that the bank account was necessary, in part, to ensure that PGMS could deposit received checks into the Corporation's account promptly. Director Reedy made a motion to approve the opening of a Chase account in Dripping Springs. Director Caramanica seconded the motion, and it **PASSED** unanimously.

### **Item No. 7**

Item No. 7 was to discuss, consider, and take action as necessary regarding the Corporation's Certificate of Convenience and Necessity. Counsel Wilburn informed the Board that the Texas Commission on Environmental Quality had given a preliminary approval of the CCN, and the TCEQ was waiting on completion of mapping requirements before finalizing the CCN. The Board took **NO ACTION** on this item.

### **Item No. 9**

Item No. 9 was to discuss, consider, and take action as necessary regarding permitting issues with the Central Texas Groundwater District. Director Hiers reported that he had submitted the necessary paperwork to the District to transfer the well operation permits to the Corporation. Counsel Wilburn reported that he had filed the necessary paperwork with the District to transfer the well drilling permits to the Corporation. The Board took **NO ACTION** on this item.

### **Item No. 10**

Item No. 10 was to discuss, consider, and take action as necessary regarding a Non-Standard Water Service Agreement with Montvale Land Investments. Counsel Wilburn relayed information from his meeting with representatives of Montvale and the proposal to work together on a new well within the lower section of Whitewater Springs. Director Reedy made a motion authorizing Legal Counsel to negotiate a participation agreement with Montvale. Director Caramanica seconded the motion, and it **PASSED** unanimously.

### **Item No. 11**

Item No. 11 was to discuss, consider, and take action as necessary regarding the payment of bills. Director Reedy presented invoices for reimbursement for expenses he incurred in establishing utility accounts for the Corporation for \$809.38. Director Hiers presented receipts for expenses he incurred in paying the State Comptroller for the Corporation's franchise tax. Director Caramanica made a motion to pay these bills as presented. Director Hiers seconded the motion, and it **PASSED** unanimously.

At 3:45, President Hiers then announced that the Board would meet in Executive Session, pursuant to Texas Government Code Annotated, Sections 551.071, 551.072, and 551.074 to receive advice from legal counsel.

At 5:00, President Hiers reconvened the meeting in open session, announcing that the Board had not made any decisions in Executive Session.

**Item No. 12**

Item No. 12 was Adjournment. Director Caramanica made a motion for the Board to adjourn its meeting. Director Hiers seconded the motion, and it **PASSED** unanimously.

PASSED, APPROVED, AND ADOPTED this 17<sup>th</sup> day of September 2012.



Frank Carmanica, Secretary-Treasurer

(CORPORATION SEAL)