

SPRINGS HILL NEWS

WINTER / SPRING 2004

SPRINGS HILL WATER SUPPLY CORP., PO BOX 29, SEGUIN, TX 78156 (830)379-7683

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SOME WORDS FROM THE GENERAL MANAGER

In case you hadn't noticed ... the Guadalupe County region is experiencing tremendous growth. This growth presents both Springs Hill WSC Management and the Board of Directors with multiple challenges. These challenges are accentuated by the mandate from the state of Texas that all water providers secure water and plans for the next 50 years.

The most immediate concern is to meet the capital needs of our current distribution system. Efforts are made to merge improvements to the current system along with plans for future growth. For example, in the past year Springs Hill WSC installed 10 miles of new water mains to better serve our current Owner/Members, and many of these improvement projects also address projected growth areas. One of the major projects that Springs Hill WSC will undertake in the near future is the expansion of our water treatment facility at Lake Placid. This project will upgrade our current treatment standards to meet state and federal requirements, while at the same time increase our ability to treat a larger quantity of water to address future demand.

The greatest long-term challenge Springs Hill WSC faces is to secure the necessary contracts to obtain ample water to meet this growth. Currently, Springs Hill WSC has a water purchase contracts with the Guadalupe-Blanco River Authority, Canyon Regional Water Authority and the Schertz/Seguin Local Government Corporation.

SEE WORDS FROM MANAGER ON pg. 2

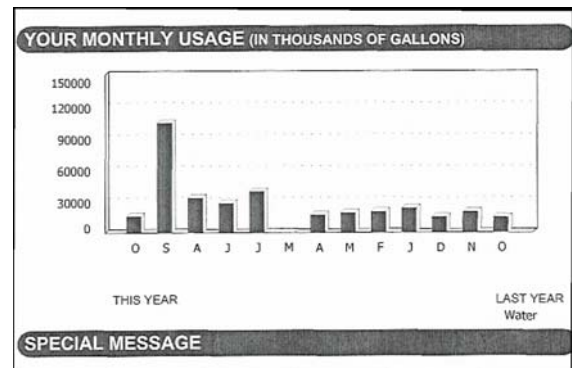
SHWSC STATISTICS WATER PRODUCED 2003

WATER SOURCE	GALLONS	ACRE FEET
Lake Placid Treatment Plant	307,478,000	944
Carizzo Aquifer Well Field	245,115,000	752
Canyon Regional Water Authority – Lake Dunlap	226,897,000	696
City of Seguin – Carizzo Aquifer	66,671,000	205
TOTAL	846,161,000	2597

Number of Active services 5575
Estimated population served 17,800

A NEW IMAGE FOR YOUR WATER BILL

We are sure you have noticed the new billing statements for your water service with Springs Hill WSC. Springs Hill WSC is required to comply with confidentiality laws regarding late notices and therefore made this change to all of our billing statements. The service we chose allows us to outsource the printing, sorting and mailing of the billing statements. By doing this, the office staff now has more time to take care of *you*, our customers and provide you the service you deserve. These new billing statements are easy to read and provide customers with more information than the card bills did. If you ever have questions or comments about your bill, please do not hesitate to call our office at 379-7683.



YOUR MONTHLY USAGE

This section of your billing statement will show you what your water usage pattern has been over the past twelve months. A glance at this chart could be helpful to you if you feel your bill does not reflect your normal usage pattern. Looking back at previous months, as well as a mental evaluation of what activities have taken place at your home recently (such as visitors, filling a swimming pool, etc.) will help you to understand a bill that may appear to be out of the norm.

Occasionally customers call with concerns about their bill, wondering if they have a leak or if the meter was read incorrectly. If this happens to you, first review the YOUR MONTHLY USAGE section of your statement, then think back about what activities took place during the month of the bill. Next, look at your water meter. By looking at your water meter, you can usually determine if you have a leak.

SEE...DO I HAVE A LEAK? ON pg. 4

MEET THE BOARD OF DIRECTORS !

CYNTHIA THOMAS-JIMENEZ obtained her BS in Education and Master of Applied Geography from Southwest Texas State University. Mrs. Jimenez taught for 10 years in the Seguin ISD and has 11 years experience in environmental education focusing on water resource protection. Mrs. Jimenez has been on the board since 2001, currently serving as Board President.

BERNIE MUELLER obtained his BS and Masters in Business from Southwest Texas State University. Mr. Mueller has been a Loan Officer at State Bank & Trust of Seguin since 1982. Mr. Mueller has been on the board since 1996 and currently serves as our Board Treasurer and as a CRWA Board Member. Mr. Mueller has also served as CRWA Board President in the past.

JESS HOERMANN attended Texas A&M University and has experience as a county extension agent, Bank Vice President, realtor and rancher. Mr. Hoermann is currently a foreman for the Guadalupe County Road & Bridge Department. Mr. Hoermann has served as a board member since 1998 and currently serves as Board Vice President.

CLARENCE LITTLE served in the Army and graduated from Huston-Tillotson College receiving a BS in 1953. In 1966 he received his Masters of Science from Prairie View A&M. Mr. Little worked within the Seguin ISD for 35 years as both a teacher and principal. Mr. Little has been a board member since the beginning of 2002 and currently serves as Board Secretary.

JAMES MARTIN graduated from SHS in 1980 and worked many years for the Martin's Family Store and the Seguin ISD. In 1993 Mr. Martin started his own business - Tri County A/C & Heating. James Martin has been on our board since 2002 and currently serves as a CRWA Board Member.

WILLIAM DONALD OLD III obtained his BS in Finance from the University of Utah in 1982 and his Masters of Business Administration from the University of Texas in 1984. In 1987, Mr. Old obtained his Juris Prudence from Baylor University in 1987. Mr. Old has worked with the Texas State Senate and helped with the re-election of Lt. Governor Bill Hobby. Mr. Old has 16 years experience with law firms and in 2000 he moved his law office to Seguin. Mr. Old has served as a board member since 2003.

NEW RATES AS OF MARCH 1, 2004

Springs Hill WSC Management and Board of Directors have made it a priority to review water rates every odd year. Just as most other items you purchase, the cost of water increases almost every year. In reviewing the rate structure for Springs Hill customers every other year, the Board of Directors and Management can avoid large rate increases that may be more difficult on the Owner/Member's budget. It is important that Springs Hill WSC secure enough water for our community's future. The population in Guadalupe County is growing, which means that more and more water will be needed to serve the additional customers.

WHO DO I CALL ?

MAIN NUMBER	379-7683
Ronald Naumann	General Manager x206
Theresa Collins	Assistant Manager x207
Allen Lawson	Field Service Manager x201
Melva Hassell	Billing questions/leaks x203
Carol Ronshausen	New Services/Transfers x211
Claudia Jakoby	Accounts Receivable x202
Linda Bannick	Accounts Payable x205
After Hours Emergencies	379-7683

WORDS FROM MANAGER continued...

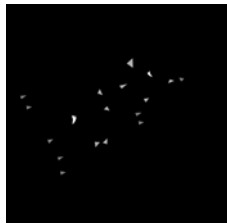
Despite the acquisition of these many water supplies from varying sources, our growth rate is projected to exceed our secured water. Growth for the Springs Hill WSC service area is projected for approximately 5% per year. This tremendous growth has caught Springs Hill WSC in a quandary. Current Springs Hill WSC water acquisitions will only satisfy demands for the next 20 years. Management and the Board of Directors must stride to adequately represent the Owner/Members and continually secure water for the next 50 years. With limited water available for contract, it may be necessary at some point in the near future for the Management and Board of Directors to consider a tougher water conservation plan for it Owner/Members. Conservation is a proven method ardently recommended by the state, and a simple way to maintain the appropriate water availability for the service area.

AGENDA

2004 ANNUAL MEETING - APRIL 6, 2004

7:00 PM

GUADALUPE COUNTY COLISEUM, SEGUIN, TEXAS



**2004 ANNUAL MEETING
ATTENDANCE DRAWING**

- | | | | |
|--|--------------------|----|--|
| 1. Call to order & determine a quorum | Cynthia Jimenez | | |
| 2. Introduction of staff present | Theresa Collins | | |
| 3. Approve Minutes of 4/1/03 meeting | Clarence Little | | |
| 4. Nominating Committee Report | Bernie Mueller | 13 | Gift Certificates valued at \$19.09 each |
| 5. Election of Directors | | 7 | Gift Certificates valued at \$38.18 each |
| 6. 2003 Audit Report | Virgil Crawford Jr | 2 | \$25.00 Cash prizes |
| 7. System Report | River City Eng | 2 | \$50.00 Cash prizes |
| 8. Owner/ Members addressing the board | 5 minutes each | 1 | \$150.00 Cash prize |
| 9. Attendance Drawing | Theresa Collins | | |
| 10. Adjournment | | | |

MINUTES OF THE ANNUAL MEETING - APRIL 1, 2003

Meeting at: Oak Park Mall, Staff Development Room, Seguin ISD Central Administrative Office, 1221 East Kingsbury Street, Seguin, TX
 Board Members Present: Jess Hoermann, Cindy Jimenez, Bernie Mueller, James Martin, Bill Old and Clarence Little.

Others Present: General Manager Ron Naumann, Assistant Manager Theresa Collins, Virgil Crawford Auditor, Engineers Pat Lackey and Brian Kucinski, Carol Ronshausen, Claudia Jackoby, Linda Bannick and Melva Hassell. There were 50 Owner / Members present.

Call to Order: Board President Cindy Jimenez welcomed all of the Owner / Members present and called the meeting to order at 7:00pm. She introduced herself and all the other board members present. The management and employees that were present were also introduced.

Approve the Minutes of the April 2, 2002 Meeting: Charles Richey made a motion to approve the minutes of last year's meeting. Norma Saenz seconded the motion and the motion passed.

Nominating Committee Report & The Election of Directors: The nominating committee was Clarence Little, James Martin, Charles Willmann, and Gloria Schraub. The nominating committee nominated Jess Hoermann and Bernie Mueller. Melvin Bading made a motion to accept the nominating committee's report and nominees. Tex Saengerhausen seconded the motion and the motion passed. Ron Naumann began the election of directors by stating that everyone was given a ballot. Larry Holling made a motion to elect the nominees without a ballot. Gorman Greenwood seconded the motion and the motion passed. Bernie Mueller and Jess Hoermann were re-elected for 3 more years.

Audit Report of 2002: Virgil Crawford, CPA presented the audit report to the Owner/Members. Virgil stated that the audit report was completed February 11, 2003 and had shared the report with the board at the last meeting. The corporation was successful last year. He stated that the board was active and had a good year last year. They did not issue a management letter this year. Tex Saengerhausen made a motion to accept the audit report. AJ Johnson seconded the motion and the motion passed.

System Report: Ron Naumann introduced Pat Lackey and Brian Kucinski from River City Engineers. He stated that they have two offices and several people on staff to help us. Pat Lackey indicated that they had been working on several projects for Springs Hill WSC. Brian stated that they have been working on the new TXDOT rest area and the 21,000 feet of water line that will be installed. Due to this rest area, the CCN also needs to be updated which they are working on as well. They have also helped Springs Hill with some recently annexed areas needing fire protection. Springs Hill and River City are looking at the options for expansion and increasing the water production capabilities for the system. Pat explained that the water in the system can be blended which is beneficial. Pat stated that the current Carrizo wells were doing well and are monitored on a regular basis. Pat stated that the options for expansion are to drill another well, purchase water from Seguin Schertz, purchase water from Bexar Met or expand the treatment plant. Pat stated that he would be glad to discuss the mineral content of the water after the meeting. Assistant Manager Theresa Collins reviewed with the members information regarding the Vulnerability Assessment that Springs Hill WSC will have to prepare by June 30, 2004. She indicated that Springs Hill WSC was already doing many things to protect facilities and water.

Owner/Members to address the Meeting: General Manager Ron Naumann stated that there were two individuals wishing to address the board. Diana Jones spoke to the board and members present regarding a \$500 water bill she incurred several years ago. She indicated that a refund was requested but never received. She feels that the corporation tampered with her meter to justify the bill. She indicated that there were other customers who complained of high bills while away from home. She requests that the board comply with the bylaws and refund her the money paid. Dorothy Schneider wanted to ask when Springs Hill would be accepting payments over the internet. Theresa Collins stated that currently payments could be made via automatic bank draft, credit card draft or over the internet if you banked with State Bank & Trust. Another member asked if payments could be made with a credit card over the phone. Theresa Collins stated that they prefer not to do that since there is a greater liability of someone using someone else's card. If a customer signed up for automatic credit card draft, they would have to fill out an authorization form one time.

Attendance Drawing: Assistant Manager Theresa Collins administered the attendance drawing. The winners were: \$18.80 gift certificates * Victor Ray, Mel Grones, Mary Schnieder, Betty Towers, WW Farms, Tex Saengerhausen, Pauline Stewart, Kenneth Gross, Melvin Bading, Udo Schmoekel, Clarence Little, Diana Jones, and Helen Hamilton; \$37.60 gift certificates * Walter Bargfrede, Kenneth Martin, Bryan Bailey, Claudia Jakoby, James Martin, Norma Saenz and Henry Huebner; \$25.00 cash prizes * Bill Old and Charles Richey; \$50.00 cash prizes to Leon Kubala and Norman Greenwood, and \$150.00 cash prize to Franklin Huebner.

Adjournment: The meeting adjourned at 7:45 PM.

**ANNUAL MEETING
TUESDAY
APRIL 6, 2004 !**

**This year the Annual Meeting will be held at the
Guadalupe County Coliseum
Seguin, Texas**

DO I HAVE A LEAK???

The easiest way to determine if you have a leak is to inspect your water meter. The meter has a round face, similar to a clock, with a wand that turns clockwise. The first thing you must do is make sure that no one is using any water anywhere on the property (dishwasher, washing machine, shower, etc.). Then, go outside and look at your meter to see if the wand is moving. If it is moving, then you likely have a leak somewhere in the house. You will need to evaluate the situation and determine if you need to contact a plumber to find and repair the leak. The most common place for a small leak to take place is in the toilet, so be sure to check those first. The easiest way to test a toilet is to put a few drops of food coloring in the toilet tank, wait a few minutes, and then check the bowl. If the water in the bowl has changed to reflect the color in the tank, then you have a leak. Toilet repair kits can be purchased at most hardware and home improvement stores.