

Bluff Dale Water Supply Corporation PO Box 232 Bluff Dale, Texas 76433-0232

Dennis McNaughten - President 254-592-5914 Frank Maddy - Vice President Deborah Morris - Secretary/Treasurer Richard Skinner-Member LaNell McNaughten-Member

March 27, 2024

Dear Member,

We want to give you an update on items of interest to our water supply members.

If you recall, we are in violation of what is known as the 85% rule. That is, we are beyond the 85% capacity of our current well. In earlier Annual letters I mentioned that the Corporation was securing a loan for \$490,000 to drill a second well just east of our current well. That has been completed. We have accepted a bid for the well and it is now being reviewed by the Texas Water Development Board. Once they approve the bid we will move forward. I know it's been a long time, but many entities have their hands in this process, and they are not in a hurry to get things done.

The most essential information we want the members to be aware of are the requirements of Federal and State Agencies and local banks. One such requirement is for the BDWSC to have sufficient funds reserved to properly show from an operating and financial standpoint the wherewithal to take care of business and the ability to meet financial obligations. We just had our 2023 Financial Audit Report completed and we are following all the rules, regulations, and best practices required by the state and the federal government. We have sufficient funds as required by the TWDB and the TCEQ as well as all Federal and state regulations. In the almost 22 years of providing clean water, we have been fortunate to not have any major breaks or issues. I hope I have not jinxed that now!

We still have 2 openings on our board so please let me know if you are interested in serving. The deadline to sign up to serve is April 17. The Board Director Application is available on the website at www.bluffdalewater.com or you may contact Deborah via email, and she will email you an application.

This letter will also serve as notice of our Annual meeting on May 15, 2024, at 6:00 in the Community Center at the Fire Hall at 175 Holt Street, Bluff Dale, Texas 76433. At that meeting, we will go over the audit and our adopted budget. I encourage you to attend.

The board appreciates the opportunity to serve the members of the BDWSC. If you have any questions or concerns, please attend our annual meeting, or our monthly meetings, or feel free to contact any board member. Board member numbers are located on the website. We normally meet on the third Tuesday of every month at 6:00 at the Community Center.

Dennis McNaughten

Sincerely, Dennis McNaughten, President BDWSC