Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
July 14, 2026

President	Larry Hobbs
Vice-President	Zandy Goode
Secretary	Bert Hernandez
Director	Bonnie Capshaw -- absent
Director	David Morrison
Director	Gerald Theut
Director	Kyle Grigsby -- absent

ITEM 1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM

The meeting was called to order at 3:30 p.m. by President Larry Hobbs with a quorum present.

ITEM 2. RECOGNITION OF VISITORS

There were no visitors

ITEM 3. PUBLIC COMMENTS

There were no public comments.

ITEM 4. REVIEW AND APPROVE MINUTES FROM THE PREVIOUS BOARD MEETING

David Morrison made a motion to approve the minutes from the June 2026 meeting. Gerald Theut seconded the motion. On vote, the motion passed.

ITEM 5. BLUEBONNET WATER SUPPLY REPORT

David Morrison presented the Bluebonnet report. No date has yet been set for the hearing on the easements to construct the line to SVWSC. It's not known why the hearing date to resolve the easement problem has not been set. A suggestion was made by Larry Hobbs that he and David Morrison hand carry the letter to Bluebonnet from our attorney and that it would be emphasized that the delays in getting the line build to SVWSC has hurt SVWSC financially. On other business, new mimimums and maximums were set by Bluebonnet and SVWSC's minimum dropped. The budget meeting for Bluebonnet will be in July so no approval has been made yet by Bluebonnet on rate increases. Larry Hobbs made a motion to accept David Morrison's Bluebonnet report. Bert Hernandez seconded the motion and on vote, the motion passed.

ITEM 6. ENGINEERING REPORT

The Water System study that was commissioned by the SVWSC Board is near completion and is expected to be presented to the Board at next month's meeting. Decisions on addressing any concerns in the report will be made after the report is presented so that the system is prepared to receive the additional water requested from Bluebonnet.

ITEM 7. FINANCIAL STATEMENT REVIEW

Frank Alexander presented the financial report. There was no unusual activity reflected in the balance sheet accounts. Income in June was $87,446 with water sales at $76,075 and interest earned at $ 8,571. On the expense side, the water system repairs expense dropped to only $ 750 which helped yield a net income in June of $25,187 vs. May's $14,982. Gerald Theut made a motion to accept the financial report. David Morrison seconded the motion and on vote, the motion passed.

Frank Alexander pointed out that traditionally all Board members were able to sign checks. With the addition of Bonnie Capshaw to the Board to replace Darrell Bledsoe who resigned, it was pointed out that new signature cards would be needed to be signed to keep with the previous practice on signing checks. This was discussed and it was decided to try to see if Bledsoe could be dropped and Capshaw added through a resolution.

Larry Hobbs then made a resolution as follows: Delete Darrell Bledsoe from the bank accounts signing authorization and to replace him with Bonnie Capshaw so that she would have authorization to sign checks as any other Board member. This resolution will be presented to the proper banking personnel in order to secure signing authority for her and to delete Darrell Bledsoe in the most convenient way possible. The motion was seconded by Zandy Goode and on vote, the motion passed unanimously.

Amendment to these minutes approved by the Board on August 11, 2026:

Larry Hobbs made a motion to approve the following persons as authorized to sign checks for the SVWSC: Gerald Theut; Larry Hobbs; Zandy Goode; Kyle Grigsby; Bonnie Capshaw; Humberto Hernandez; and, David Morrison and that the July minutes should be amended to reflect this motion so that new signature cards could be prepared for those authorized to sign checks for the SVWSC. Zandy Goode seconded the motion, and on vote, the motion was approved by all present.

ITEM 8. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS FOR JULY 2026

The motion was made by Larry Hobbs and was seconded by Bert Hernandez to authorize payment of bills for July 2026. All present were in favor and the motion passed.

TEM 9. DISCUSS AND POSSIBLE ACTION: WATER RATE INCREASES

This item was tabled until the expected water rate increase is voted on and implemented by Bluebonnet Water Supply. Our revised rates and their implementation are ready but no action will be taken until the rates are raised by Bluebonnet.

ITEM 10. QUESTIONS TO THE BOARD BY BERRY UTILITY CONTRACTORS REPRESENTATIVES CONCERNING GENERAL OPERATIONAL ISSUES

The operators pointed out that the monitoring systems on the tanks were outdated and that the newer systems would yield 24/7 pressure and water level monitoring at the tanks. A quote was presented from MP Electric to install two pressure transducers at each plant for a total of materials and labor of $16,007.00. This was discussed and it was determined to seek another bid so that the bid could better be evaluated. Gerald Theut made a motion to accept the MP Electric bid subject to it being close to a second bid that was requested to be obtained. Based on the evaluation of the bids, Larry Hobbs would have authority to proceed with awarding of the bid. The motion was seconded by Bert Hernandez and on vote, the motion passed.

ITEM 11. WATER SYSTEM OPERATIONS REPORT BY REPRESENTATIVE OF BERRY UTILITY CONTRACTORS (NO ACTION TO BE TAKEN BY THE BOARD) INCLUDING THE FOLLOWING: (A) OPERATIONS REPORT; (B) WATER USAGE AND ACCOUNTABILITY; (C) FACILITIES, EQUIPMENT, AND REPAIRS; AND, (D) FINANCIAL REPORT

Brandon Berry presented the Operations Report. David Morrison made a motion to accept the report and the motion was seconded by Bert Hernandez. On vote, the motion passed.

ITEM 12. ADJOURN INTO EXECUTIVE SESSION IF NEEDED AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074

There was no Executive Session.

ITEM 13. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION

There was no Executive Session.

ITEM 14. SET TIME AND PLACE FOR THE NEXT REGULAR MEETING OF THE BOARD

The next meeting of the Board will be on Tuesday, August 11, 2026 at 3:30 p.m. at the Berry Utility Contractors office at 7037 Sanger, Waco, TX 76710.

ITEM 15. ADJOURN

A motion to adjourn was made by David Morrison and was seconded by Larry Hobbs. All present were in favor and none opposed. The motion carried and the meeting was adjourned.

Submitted by: Humberto Hernandez August 5, 2026
Humberto Hernandez
Secretary, SVWSC

Amended per minutes of August 11, 2026 Board Meeting by:

Humberto Hernandez August 13, 2026