

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

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

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

Mr. and Mrs. Jones were visitors.

ITEM 3. PUBLIC COMMENTS

There were no public comments.

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

David Morrison made a motion to approve the minutes from the 2026 Annual Meeting and the March 2026 business meeting. Kyle Grigsby seconded the motion. On vote, the motion passed.

ITEM 5. BLUEBONNET WATER SUPPLY REPORT

David Morrison reported that the Bluebonnet Board will take up rate increases again at the May Board meeting. He reports that Bluebonnet has spent money on engineering fees and other items trying to secure the water line to SVWSC. The hearing on the easements is up in the air since Bluebonnet has not heard a response from Jim Dunham's Law Office. So there were three possible dates for the hearing, but the actual hearing date has not yet been set. Bert Hernandez made the motion to accept the Bluebonnet report. It was seconded by Gerald Theut, and on vote, the motion passed.

ITEM 6. ENGINEERING REPORT

At this time a model of the system is up and running and analysis is on going. Low pressure areas were discussed and an area that has low pressure when water sprinklers are running was noted but overall,

the SVWSC service area is not encountering low pressure problems. A discussion of the size of water lines led to re-emphasizing that the SVWSC wants 4" lines through the system and analysis of the system's water lines is ongoing. Also areas where meters exceed the allowable number meters based on water line size is ongoing. The engineer is also working on creating a water system map update. The Five Year plan is in process of being produced and will incorporate the main alternative water source which is Bluebonnet. Larry Hobbs made the motion to approve the Engineer's Report. David Morrison made the second on the motion, and on vote, the motion passed.

ITEM 7. FINANCIAL STATEMENT REVIEW

Frank Alexander presented the financial report. He reported the CoBank paid patronage fees to us amounting to \$10,876.70 in March plus American Bank paid us \$8,508.79 in accumulated interest. For the month of March, our expenses were \$69,220.73 and our income was \$88,705.31 including the interest and patronage fee so we netted \$18,484.98. Pulling out the patronage fee and interest paid, our average net income per month is about \$2,000. David Morrison made a motion to accept the financial report. The motion was seconded by Kyle Grigsby, and when voted on, the motion passed.

A discussion was held on raising Frank Alexander's compensation. After discussion, Kyle Grigsby made the motion to raise Frank Alexander's compensation from \$350 a month to \$600 a month. Gerald Theut seconded the motion and, on vote, the motion passed.

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

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

ITEM 9. DISCUSS AND POSSIBLE ACTION: WATER RATE INCREASES

The last two rate increases were a small one in 2018 and then the last rate increase was in May 2023. Gerald Theut brought a spreadsheet to the meeting that had current rates listed and then our rates with a 10% price increase. The spread sheet also showed what our neighboring water system had as their rates. For example, a 20,000 gal/month user would see his bill go from \$122.00 per month to \$135.25 per month. Discussion of the upcoming Bluebonnet rate increase of \$.50/thousand led to the conclusion that our rate increase would have to stack on top of the Bluebonnet increase otherwise the 10% rate increase would be insufficient to maintain financial stability of the system.

No action will be taken at this meeting on raising rates, but concluded that the rate should be raised one time after the Bluebonnet increase is announced; and, that high water users should pay more in order to meet the TCEQ requirements on the water conservation plan.

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

The Board was asked to approve the contract with Berry Utility Contractors based on changes requested by our attorney. These were correction to some typographical errors and to extend the contract from one year to a three year contract. Larry Hobbs made the motion and it was seconded by Gerald Theut. 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. Larry Hobbs 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, May 12, 2026 at 3:30 p.m. at the Berry Utility Contractors office at 7037 Sanger, Waco, TX 76710.

ITEM 16. 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 May 8, 2026
Humberto Hernandez
Secretary, SVWSC