Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
June 9, 2026

President	Larry Hobbs
Vice-President	Zandy Goode
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

There were no visitors

ITEM 3. PUBLIC COMMENTS

There were no public comments.

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

Gerald Theut made a motion to approve the minutes from the May 2026 meeting. Zandy Goode seconded the motion. On vote, the motion passed.

ITEM 5. BLUEBONNET WATER SUPPLY REPORT

No date has yet been set for the hearing on the easements to construct the line to SVWSC. Although three dates were proposed, no action has been taken on selecting them. At the next Bluebonnet meeting new minimums and maximums will be discussed. Currently SVWSC is using the minimum water usage as presently established although Bluebonnet cannot deliver the total amount of water allocated to SVWSC. Larry Hobbs made a motion to accept David Morrison's Bluebonnet report. Zandy Gooded seconded the motion and on vote, the motion passed.

ITEM 6. ENGINEERING REPORT

The Engineering Report was initially tabled to be reported on after Item 7.

After the financial report, President Larry Hobbs reopened Item 6, the Engineering Report. The system report requested by the SVWSC Board is near completion. Maintenance records are being sought to see where historical problems such as broken water lines, etc. have occurred. The need to be studied as part of the upcoming report. The water line supplying SVWSC from Bluebonnet was discussed and the Engineer requested a copy of our contract with Bluebonnet so Bluebonnet could be taken into account in the final report. Kyle Grigsby made a motion to accept the Engineer's Report. Gerald Theut seconded the motion. The motion passed when voted on.

ITEM 7. FINANCIAL STATEMENT REVIEW

Frank Alexander presented the financial report. Larry Hobbs reported that Cobank had a program to match contribution up to $25,000 that might need exploring to see if the scholarships given by SVWSC might qualify for matching. On the balance sheet cash in checking exceeded $984,000 and receivables exceeded $ 76,000, The operating reserve was raised to $200,000 which reflected three months of operating expenses and discussed in the May Board Meeting. Income in May was up primarily due to $10,000 in front-end capitalization and expenses were also up due to water system repairs. Overall net income was $14,982 which was up from April's $11,675.Year to date net ncome for 2026 is $52,129.
A discussion of the details of the financial report disclosed that the high repair costs for May were due to those costs incurred for repairing a pump that was struck by lightning. Larry Hobbs made a motion to accept the financial report. Kyle Grigsby seconded the motion and on vote, the motion passed.

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

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

ITEM 11. DISCUSS AND POSSIBLE ACTION: WATER RATE INCREASES

Gerald Theut presented the Board with a finalized spreadsheet displaying the rates that were discussed at the May Board Meeting. Users with a 0 to 30,000 gallon per month usage would see a 10% increase and higher rate water users would see higher incremental increases . The rates shown would also factor in a $5 increase in base rates and the $.50 per thousand increase from Bluebonnet. There was discussion about the effects on net income and the timing of implementing the increases. Bert Hernandez made a motion to accept the rate increase schedule from the June 9, 2026 spreadsheet but hold off on implementing it until we received the notification of Bluebonnet rate increases. Gerald Theut seconded the motion . On vote, the motion passed.

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

There were not questions for the Board.

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, July 14, 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 Bert Hernandez and was seconded by David Morrison . All present were in favor and none opposed. The motion carried and the meeting was adjourned.

Submitted by: Humberto Hernandez July 11, 2026

Humberto Hernandez
Secretary, SVWSC