

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
February 10, 2026

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President	Larry Hobbs
Vice-President	Zandy Goode
Secretary	Bert Hernandez
Director	Darrell Bledsoe
Director	David Morrison -- Absent
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

Ms. Bonnie Capshaw was present.

ITEM 3. PUBLIC COMMENTS

There were no public comments.

ITEM 4. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING

Zandy Goode made a motion to approve the minutes from the January 2026 meeting. Kyle Grigsby seconded the motion. On vote, the motion passed.

ITEM 5. DISCUSS AND POSSIBLE ACTION: JASON BAHNSEN METER REQUEST

The question concerning the meter going in for Jason Bahnsen was that a 2" line would have been the minimum to service the meter but SVWSC is now utilizing 4" lines through the system. The point was clarified for Berry Utility Contractors that the customer would pay for 2" but that a 4" line would be used and that SVWSC would be responsible for the difference. Larry Hobbs made a motion to verify the information given by Berry to the customer and Zandy Goode seconded the motion. On vote, the motion passed.

ITEM 6. BLUEBONNET WATER SUPPLY REPORT

Darrell Bledsoe reported that Bluebonnet was going to vote on raising water rates from \$3.50 to \$4.00 per thousand gallons. It was reported that Bluebonnet was originally going to wait until the line to SVWSC was completed before raising rates, but costs have been incurred in trying to get the line put in so Bluebonnet was going to raise rates before the line is built. The meeting at Bluebonnet will be on Tuesday, February 17, 2026. It was suggested that those who could, attend the meeting at Bluebonnet to object to a raise in rates before they begin meeting their commitment to our contracted water flow. Larry Hobbs made a motion to accept the report. The motion was seconded by Kyle Grigsby and on vote, it passed.

ITEM 11. DISCUSS AND POSSIBLE ACTION: DARRELL BLEDSOE RESIGNATION AND APPOINTMENT TO FILL THE REMAINDER OF TERM

Kyle Grigsby made a motion to move this item ahead of the Engineering Report. Gerald Theut seconded the motion and on vote, the motion passed.

Darrell Bledsoe offered his resignation from the Board after 14 years of service. His resignation was accepted with thanks for his years of service to the Spring Valley Water Supply Corporation. Larry Hobbs proposed that Bonnie Capshaw be appointed to the Board to fill the remainder of Darrell Bledsoe's term. Kyle Grigsby made the motion to accept Darrell Bledsoe's resignation and to approve the appointment of Bonnie Capshaw to fill the remainder of his term. Gerald Theut seconded the motion, and on vote, the motion passed.

ITEM 7. ENGINEERING REPORT

Monte Clark reported he was working on the water system analysis and long-term plan that he had been requested to prepare. At this time, this was still a work in process but progress was being made on it. Kyle Grigsby made a motion to accept the Engineering Report. The motion was seconded by Bert Hernandez, and on vote, the motion passed.

ITEM 8. FINANCIAL STATEMENT REVIEW

Frank Alexander reviewed the financial statements with the Board. Since we had a new member of the Board, he went into detail on balance sheet and income statement items. He explained the "zero balance" checking account identified as the American Bank- general checking account, explained the CoBank accounts, the setting up of reserves for contingencies, and the treatment of payables and receivables. On the income statement for January 2026, our net income was \$16,482 vs \$1,740 in January 2025. This was primarily due to higher water sales in 2026 and lower repair expenses in 2026. Bert Hernandez made a motion to accept the Financial Report. It was seconded by Kyle Grigsby, and on vote, the motion passed.

ITEM 9. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS FOR FEBRUARY 2026

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

ITEM 10. DISCUSS AND POSSIBLE ACTION: RUSSELL AND PATSY JUDD SCHOLARSHIPS

Darrell Bledsoe will remain the SVWSC contact for the scholarship program. He reports that this year there are seven applicants under review for the scholarships. At this time there are funds for three \$1,000 scholarships since there is \$3,900 in the scholarship account. Darrell Bledsoe reviewed the scholarship application process and how the winners would be selected by the scholarship committee. The winners will be named at the Annual Meeting.

ITEM 12. READ AND APPROVE RESOLUTION OF THE BOARD DECLARING ELECTION OF UNOPPOSED CANDIDATES

Larry Hobbs read the Resolution of the Board declaring election of unopposed candidates. Kyle Grigsby made the motion to accept the resolution and the motion was seconded by Bert Hernandez. On vote, the motion passed.

ITEM 13. QUESTIONS TO THE BOARD BY BERRY UTILITY CONTRACTORS REPRESENTATIVES CONCERNING GENERAL OPERATIONAL ISSUES

Terri Whitley noted that we needed to advise Bluebonnet who our representative to them would be. David Morrison was named although he wasn't present and Kyle Grigsby volunteered to be the alternate.

A later discussion concerned whether Berry Utility Contractors would be able to bid on repairs and it was agreed that Berry could bid on repairs through our Engineer through our normal bidding process.

ITEM 14. 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. Items on the report were discussed to clarify them for our new Board member, Bonnie Capshaw.

ITEM 15. ADJOURN INTO EXECUTIVE SESSION IF NEEDED AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074

There was no Executive Session.

ITEM 16. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION

There was no Executive Session.

ITEM 17. SET TIME AND PLACE FOR THE NEXT REGULAR MEETING OF THE BOARD

The next meeting of the Board will be on Tuesday, March 3, 2026 immediately following the Annual Meeting scheduled for 6:30 pm. at the Berry Utility Contractors office at 7037 Sanger, Waco, TX 76710.

ITEM 18. ADJOURN

A motion to adjourn was made by Kyle Grigsby and was seconded by Gerald Theut. All present were in favor and none opposed. The motion carried and the meeting was adjourned.

Submitted by: Humberto Hernandez March 1, 2026
Humberto Hernandez
Secretary, SVWSC