

Spring Valley Water Supply Corp.
Regular Meeting of the Board of Directors
January 13, 2026

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| President | Larry Hobbs |
| Vice-President | Zandy Goode |
| Secretary | Bert Hernandez |
| Director | Darrell Bledsoe |
| 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. Jason Bahnsen was present.

ITEM 3. PUBLIC COMMENTS

There were no public comments.

ITEM 4. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING

Larry Hobbs made a motion to approve the minutes from the November and December 2025 meetings. David Morrison seconded the motion. On vote, the motion passed.

ITEM 5. DISCUSS AND POSSIBLE ACTION: JASON BAHNSEN ROAD BORE QUESTION

Mr. Bahnsen had been on the waiting list for a meter. When he was notified he could apply, he did and was approved for one meter. He had made requests for multiple meters, but only one had been approved. In the process of preparing for the new meter, he found another meter tap on his property. After discussion, it was determined that no action on that meter could be taken because of the suspension of granting new meter requests. He then discussed an issue with a waterline running where he wanted to install fence. After discussion, Larry Hobbs made a motion to recommend that Mr. Bahnsen proceed with getting the approved meter with the road bore and that potholing would be done to find exactly where the water line ran so that Mr. Bahnsen could continue with installing his fence. Darrell Bledsoe seconded the motion and on vote, the motion passed.

ITEM 6. DISCUSS AND POSSIBLE ACTION: BONNIE CAPSHAW WATER LEAK

This item is a carry over from the December 2025 Board Meeting. The original billing on the water bill for Ms. Capshaw was \$10,549. The cost of the water to SVWSC was \$4,652.14. Zandy Goode made the motion to reduce the Capshaw bill to the cost of the water to the SVWSC which was \$ 4,652.14. The motion was seconded by Gerald Theut, and on vote, the motion passed.

ITEM 7. REVIEW AND POSSIBLE ACTION: REVIEW WAITING LIST FOR NEW METERS

No action was needed on this item other than to confirm the establishment of a waiting list for future meter requests.

ITEM 8. BLUEBONNET WATER SUPPLY REPORT

There was no meeting in December 2025. David Morrison did speak to management at Bluebonnet and found that potential trial dates for the eminent domain issue might be May 26, June 8, or June 27, 2026, No action can be taken by Bluebonnet until the right-of-way issues are resolved. Larry Hobbs made a motion to accept the Bluebonnet Report. The motion was seconded by Kyle Grigsby, and on vote the motion passed.

ITEM 9. ENGINEERING REPORT

The first part of the report concerned a problem with the well at the Judd Plant. The pump had quit working about two weeks ago and Clark Associates was tasked with getting with Jurgensen Pump to find a solution. The estimate for a complete repair including a pump replacement was \$52, 786. A copy of the estimate was provided to the Board. Various options were discussed for effecting a repair but until the pump was pulled and inspected, it couldn't be determined what the actual cost would be. Options discussed included the complete pump replacement and repairing the existing pump. Not on the estimate was a \$300 fee for inspecting the existing pump which the Board would approve to make a final determination of the best way to proceed. It was determined that repairing the well was a priority that needed to be taken care of.

The second part of the Engineer's Report concerned the request to Clark Associates for a water distribution system analysis. Monty Clark provided the Board with an outline of what would be needed to do so. Updated maps and drawings would be prepared, a hydraulic pressure study would be performed, a water line diameter and meter study would be completed, develop a five year master plan with system improvement alternatives, new maps with up-to-date

information on water mains, valve locations, and plant locations, and finally project coordination with the SVWSC's representatives. The cost for the water distribution system analysis would be \$ 22,800.

Larry Hobbs made a two part motion on the Engineer's Report. First he asked to approve the expenditure for the water distribution system analysis to be performed by Clark Associates. The second part of the motion was to authorize him to make a decision on the repair/ or installation of a new pump based on the Engineer's recommendation after the pump, cabling, and pipes are inspected by the Engineer and Jurgeson Pump. Zandy Goode seconded the two part motion, and on vote, the motion passed.

ITEM 12. DISCUSS AND POSSIBLE ACTION: AQUA CONTRACT TERMINATION

Larry Hobbs made a motion to move Item 12 ahead on the agenda, The motion was seconded by Kyle Grigsby, and on vote the motion passed moving this item up for discussion . Because of the nature of this item, the meeting was adjourned into Executive Session.

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

The regular Board meeting was adjourned at 4:09 p.m. to move into Executive Session to discuss the termination of the Aqua Contract and replacement operator alternatives.

ITEM 17. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION

The Board meeting was reconvened at 4:27 p.m. The announcement was made that the Aqua contract terminated on January 20, 2026 and that the Board endorsed, Berry Utility Contractors, LLC to be the new operator for the SVWSC. Larry Hobbs made the motion to engage Berry Contractors as the operator on a one year contract. Bert Hernandez seconded the motion, and on vote, the motion passed unanimously,.

ITEM 10. FINANCIAL STATEMENT REVIEW

Frankj Alexander reviewed the financial statements with the Board. He advised the Annual Audit was going to commence and that the figures were pre-audit ones. Monthly water sales in December 2025 were \$\$61,975 vs. \$ 55,677 in December 2024. On a year-to-date basis, gross profit from water sales in 2025 was \$571,382 vs. \$516,393. Other revenues in 2025 increased to \$104,589 vs.

\$73,483 primarily due to an increase in interest earned. Total expenses dropped from \$302,888 to \$295,707. Overall then, operating income increased to \$380,264 in 2025 vs. \$286,988 in 2024.

Darrell Bledsoe made a motion to accept the Financial Report. It was seconded by Zandy Goode, and on vote, the motion passed.

ITEM 11. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS FOR JANUARY 2026

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

ITEM 13. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING GENERAL OPERATIONAL ISSUES

There were no questions to the Board.

ITEM 14. WATER SYSTEM OPERATIONS REPORT BY REPRESENTATIVE OF AQUA TEXAS (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 Glass presented the Operations Report. David Morrison made the motion to accept the water operations report. It was seconded by Zandy Goode. On vote, the motion passed.

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

The next meeting of the Board will be on Tuesday, February 10, 2026 at 3:30 p.m. at the Berry Utility Contractors office at 7037 Sanger, Waco, TX 76710.

ITEM 18. ADJOURN

A motion to adjourn was made by Darrell Bledsoe and was seconded by Zandy Goode. All present were in favor and none opposed. The motion carried and the meeting was adjourned.

Submitted by: Humberto Hernandez February 9, 2026
Humberto Hernandez
Secretary, SVWSC