

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF  
LAKE LIVINGSTON WATER SUPPLY CORPORATION**

**January 22, 2026**

A regular meeting of the Board of Directors of Lake Livingston Water Supply Corporation (hereinafter called "LLWSC") was called to order at 10:00 a.m. on January 22, 2026, at the office of LLWSC located at 1930 North Washington, Livingston, Texas. Board Members in attendance were as follows: John Sexton, Carolyn Ordner, George Harris, Christi Allen, Phillip Waller, Michael McDuffie and John Long.

Other people attending the meeting were: Kim Click, Zuni David, Phillip Everett, Adrena Gilbert and Judy Cochran.

The items of business to be considered and transacted during the meeting are as follows:

Agenda Item No. 1: Call to Order

Mr. Sexton asked if a quorum from the Board of Directors was present. Christi Allen, Secretary, confirmed that a quorum was present.

Agenda Item No. 2: Pledge of Allegiance and Prayer

Pledge of Allegiance led by Phillip Waller and prayer by Carolyn Ordner.

Agenda Item No. 3: Public Comment

Public comments were made by Darryl Russell, Paradise Acres.

Agenda Item No. 4: Reading and action on Past Meeting Minutes

Reading was waived of December 18, 2025; Regular meeting minutes; they were reviewed and approved. A **motion** to approve the minutes was made by Carolyn Ordner and the motion was seconded by George Harris. Motion passed by voting of all directors.

Agenda Item No. 5: Consideration and action, if necessary, on the following:

- Discussion regarding TRWA conference March 26-27, 2026, in Arlington-John Sexton
  - Mr. Sexton advised the directors of the board the agenda was like the previous year and requested if any others were considering attending. He asked because the dates of the conference are at the next regularly scheduled meeting and wanted to ensure there would be a quorum. Due to the number of directors interested in attending it was recommended to move the Board of Director's meeting for March to March 19, 2026, at 10 am. The motion was made by Carolyn Ordner to move the meeting date to March 19, 2026. Phillip Waller seconded the motion. Motion passed by the voting of all directors.
  
- Review revision of the Employee Handbook and consider approval of changes-Adrena Gilbert

- Ms. Gilbert advised the directors of the changes recommended to include general grammatical suggestions, the company uniform policy for operators, boot allowance for operators and dress code. Revisions were also made to the care of equipment to reflect actual procedures. Carolyn Ordner recommended approving the revisions as presented and the motion was seconded by Christi Allen. Motion passed by the voting of all directors.
- Set date and time of Annual Membership meeting, April 23, 2026, at 6 pm and adopt election procedures in accordance with Texas Water Code Chapter 67.0054-Adrena Gilbert
  - Ms. Gilbert advised the directors in accordance with the by-laws the Annual Meeting will be on Thursday, April 23, 2026, at 6 pm. There will be two director positions on the ballot for election. Recommendation to adopt election procedures in accordance with the Texas Water Code Chapter 67.0054. The motion was made to set the date and time of the Annual meeting and adopt election procedures by Phillip Waller and motion seconded by Michael McDuffie. Motion passed by the voting of all directors.

Agenda Item 6: Report to the board by the following:

- Kim Click, General Manager – reported on the following:
  - See SPI report.
  - The intent to apply was received for TWDB drinking water state revolving fund, regarding the project information form (PIF) that we submitted for potential forgiveness loan. We received the invitation to apply for the regionalization transmission line project only. This would consist of interconnecting the surface treatment plants and eliminating several smaller ground water systems. The application fee is \$10,000 which will only verify the percentage of forgiveness loans we may receive on an estimated 15-to-23-million-dollar project, not including expansion of the surface treatment plants. The invitation has been denied. The PIF's are eligible to be rolled over to be re-evaluated in the upcoming funding cycle.
  - The 356-transmission line project is ongoing to interconnect Impala Woods and Creeklake Cove to the Surface Treatment Plant.
  - Awaiting TCEQ approval of the mixer for the standpipe at Lake Livingston Estates 4 & 5.
  - The submittal has been made to TCEQ to relocate the pressure tank from the Baker Plant Old Don Plant in Indian Springs.
  - Approval has been received for the new ground storage tank at Beech Creek.
  - Approval to relocate the pressure tank from Forest Hills to Natasha Heights has been received.
  - Plant inspection-Cozy Forest was completed with no violations.
  - Update on Surface Treatment Plants- No issues to report at North or East STP.
  - There was vandalism at the Hoop and Hollar plant where they cut a section out of the wall and kicked in the AC unit to steal an air compressor valued at \$180.00. A police report was filed and cameras are being installed.

- All 42 generators are operational. GenControl and our in-house operator have been working to get all working including the portable generators. Carolyn asked if our generators are ready for the winter storm ahead, Kim advised staff has done all checks, valves that can be turned off have been turned off, insulation has been installed, heat lamps are in place, and all staff will be on standby to report if necessary.
- Zuni David, Chief Financial Officer – reported on the following:
  - Net cash for December 2025, \$ 1,878,145.00
  - See attached Financials.
- Phillip Everett, Field Superintendent – reported on the following:
  - All field operators are working to prepare for the storm forecast and the freeze.
  - Line Loss reports attached.

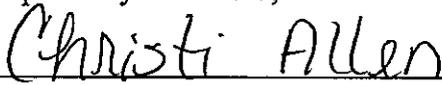
Agenda Item No. 7: Board Policy Discussion – revision/addition new LLWSC policies.  
Nothing to report.

Agenda Item No. 8: Executive Session, if necessary, to consult with Attorney regarding pending or contemplated litigation, settlement offers, or any matter in which the Board may seek the advice of its attorney under Government Code §551.071; and to discuss personnel matters, pursuant to Government Code §551.074; and will reconvene in open session for any necessary action on any matter considered in Closed Session.  
No closed session was held.

Agenda Item No. 8: Adjournment.

A **Motion** to adjourn was made by Carolyn Ordner and seconded by George Harris. The motion passed by voting of all Directors. Meeting concluded at approximately 10:24 a.m.

Respectfully submitted,

  
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CHRISTI ALLEN, Secretary, Board of Directors  
Lake Livingston Water Supply Corporation

Lake Livingston Water Supply Corp.  
Cash Flow Statement  
December 2024 - 2025 Comparison

Inflows from Operations	2024	2025	Available Funds	2024	2025
Cash Received from Customers	549,540	568,521	O & M Ending Balance	570,898	993,636
Tap Fees	13,500	19,325	Electronic Funds	29,082	10,355
Sale of Surplus Equipment/Vehicles	-	-	Construction Fund	353,023	860,218
			<b>Total Cash Avail.</b>	<b>953,003</b>	<b>1,864,209</b>
Sale of Real Estate	-	-			
Refunds or Rebates	16,573	2,364			
Miscellaneous Cash Received	25,235	34,054	<b>Other Outflows</b>	<b>Current Month</b>	<b>Total Year to Date</b>
<b>Total Cash Received</b>	<b>604,848</b>	<b>624,264</b>	Co Bank Loan	12,518	148,908
			T W D B Reserves	4,740	666,645
<b>Outflows</b>	<b>2024</b>	<b>2025</b>	<b>Spent Funds Total</b>	<b>17,258</b>	<b>815,553</b>
Payroll	183,441	218,564			<b>36,299</b>
Chemical	5,101	25,474	Expected Funds Acct.	10,000	18,751
Electrical	15,978	18,269	Sinking Fund	92,100	120,116
Maintenance of existing facilities	41,156	33,665	<b>Holding Comm. Total</b>	<b>102,100</b>	<b>138,867</b>
Maintenance of vehicles & equipment	2,994	3,789			<b>102,100</b>
Insurance - Medical	46,566	40,197			<b>131,385</b>
Insurance- Vehicles, Equipment & Plant	8,340	9,000			
Vehicle Fue	6,743	7,088			
Operators Supplies	8,176	5,266			
Laboratory	6,877	11,107			
Water & Raw Water	7,343	7,343			
Office supplies	1,758	1,861			
Comp./Equip. O&M including software	6,564	5,995			
Postage	-	50			
Interest	14,694	16,352			
Director fees	118	2,667			
Engineering fees	7,340	20,782			
Legal fees	584	-			
Utilities	4,943	4,220			
Miscellaneous expenditures	40,960	40,240			
<b>Total Cash Outflow from Operations</b>	<b>409,676</b>	<b>471,929</b>			
<b>Total Cash Surplus from Operations</b>	<b>75,814</b>	<b>13,936</b>			
<b>Net Cash Surplus or (Deficit)</b>	<b>1,028,817</b>	<b>1,878,145</b>			

2025	
TOTAL CASH RECEIVED:	624,264
TOTAL CASH AVAILABLE:	1,864,209
SPENT FUNDS TOTAL:	(36,299)
HOLDING COMM. TOTAL:	(102,100)
TOTAL CASH OUTFLOW	(471,929)
<b>NET CASH TOTAL</b>	<b>1,878,145</b>

2024	
TOTAL CASH RECEIVED:	604,848
TOTAL CASH AVAILABLE:	953,002
SPENT FUNDS TOTAL:	(17,258)
HOLDING COMM. TOTAL:	(102,100)
TOTAL CASH OUTFLOW	(409,675)
<b>NET CASH TOTAL</b>	<b>1,028,817</b>

December 2024-2025  
Cash Flow Comparison

MISC REVENUE	2024	2025	DIFF
40050 WATER REV OTHER	3,904	14,859	(10,955)
40100 EQUITY BUY IN FEE	9,800	7,700	2,100
40205 LATE FEES	7,535	7,404	131
40210 METER RELOCATION FEE	-	-	-
40250 NON-PAY DISCONNECT FEE	3,050	3,000	50
40285 RETRUN CHECK FEES	910	945	(35)
45000 OVERAGE & SHORTAGE	-	48	(48)
46000 MISCELLANEOUS INCOME	-	-	-
46500 VENDING MACHINE SALES	38	98	(82)
<b>TOTAL</b>	<b>25,235</b>	<b>34,054</b>	<b>(8,819)</b>

MISC EXPENSES	2024	2025	DIFF
53000 GENERATOR FUEL	-	-	-
53010 GENERATOR MAINTENACE	16,429	16,429	
54000 CUSTOMER RELATIONS	3,787	13,593	(9,806)
54500 WATER PRODUCTION FEES	3,606	2,755	851
55000 OTHER DIRECT COSTS	-	-	-
56010 BANK FEES	66	130	(84)
56015 ELECTRONIC PAYMENTS	2,326	2,409	(83)
56035 CONTINUOUS EDUCATION	500	-	500
56040 DUES & SUPSCRIPTIONS	-	6,000	(6,000)
56097 COMMITMENT FEES (COBANK)	86	194	(108)
56110 ADMINISTRATIVE SERVICES	5,085	5,548	(463)
56113 CONSULTANT SERVICES	-	-	-
56116 FINANCIAL & AUDIT SERVICES	-	-	-
56125 OPERATIONAL FEES	1,532	1,510	22
56130 MEALS	-	-	-
56134 PAPER	613	78	535
56140 PENALTIES & FINES	-	-	-
56150 PROPERTY FEES - POA	350	400	(50)
56165 RENT - EQUIPMENT	1,950	5,850	(3,900)
56170 REPAIRS & MAINTENANCE	-	-	-
56195 FLOWER FUND	-	-	-
56220 TRAVEL	-	-	-
56225 UNIFORM SERVICES	3,067	341	2,726
56250 OTHER EMPLOYEE BENEFITS	1,112	1,432	(320)
56251 EMPLOYEE RECOGNITION	451	-	451
<b>TOTAL</b>	<b>40,960</b>	<b>40,240</b>	<b>720</b>

# CoBank Loans Payment Tracking



## December 2025

	PRINCIPAL PAID	PRINCIPAL BALANCE	T03
6/30/2025	12,676	127,656	
7/31/2025	12,692	114,964	
8/30/2025	12,713	102,251	
9/30/2025	12,745	89,506	
10/31/2025	12,763	76,743	
11/30/2025	12,791	63,952	
12/31/2025	12,811	51,141	

### T03 Loan

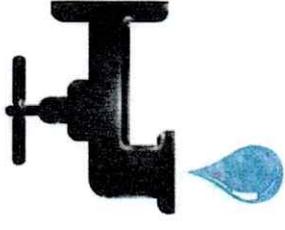
Effective date: 04/30/2014  
 Maturity date: 04/20/2026  
 Principal Paid: 12,811  
 Principal Balance: 51,141

	PRINCIPAL PAID	PRINCIPAL BALANCE	T04
6/30/2025	18,391	1,176,844	
7/31/2025	18,292	1,158,552	
8/30/2025	18,384	1,140,168	
9/30/2025	18,658	1,121,510	
10/31/2025	18,570	1,102,940	
11/30/2025	18,839	1,084,101	
12/31/2025	18,758	1,065,343	

### T04 Loan

Effective date: 02/26/2025  
 Maturity date: 02/20/2030  
 Principal Paid: 18,758  
 Principal Balance: 1,065,343

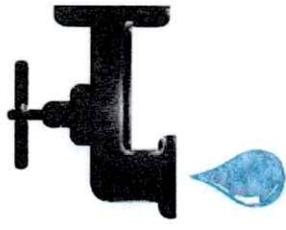
# TWDB Bonds Tracking -- December 2025



STATUS	DUE DATE	AMOUNT	DETAIL
PAID	6/1/2025	44,595	2013 SEMI-ANNUAL
PAID	12/1/2025	204,595	2013 ANNUAL
PAID	12/1/2025	855,000	2007 ANNUAL
			REMAINING
			BALANCE AS
			OF
PAID FOR	12/31/2025	11,649,163	
2025		<u>1,104,190</u>	

\*\*CoBank + TWDB bonds = 12,765,647 as of 12/31/2025.

# Budget/Actual Comparison December 2025



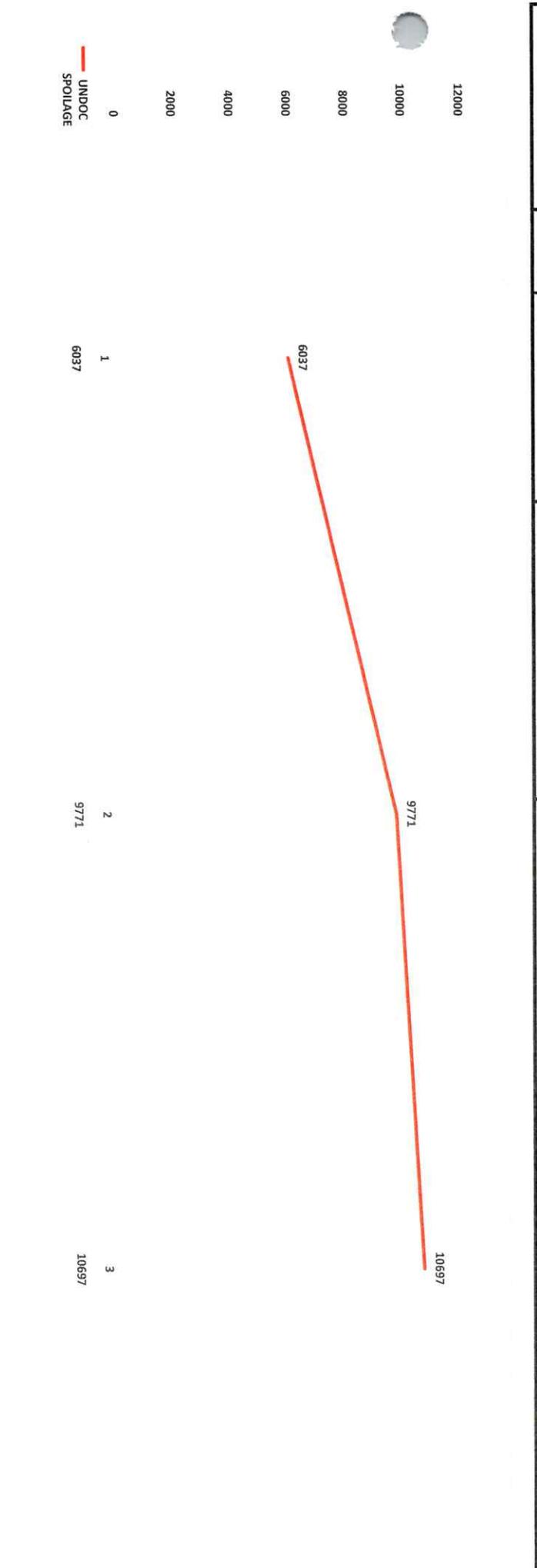
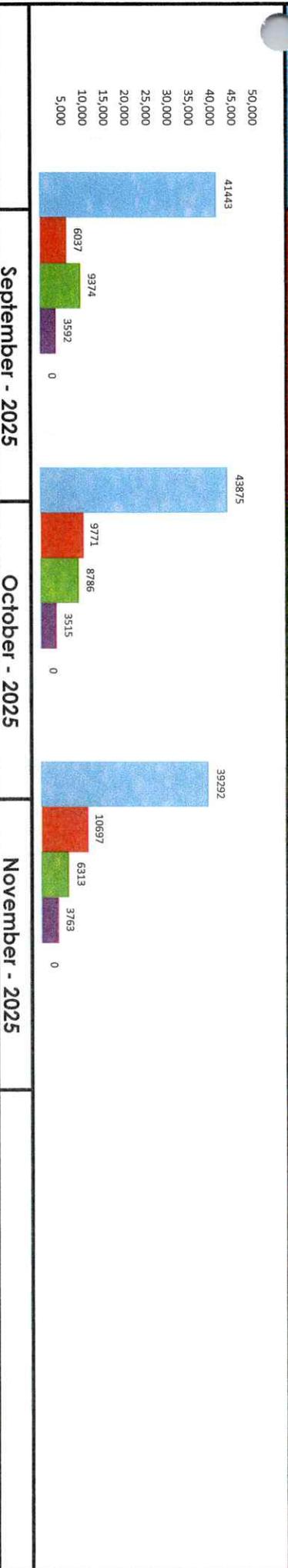
ACCOUNT DESCRIPTION	MONTHLY	MONTHLY	YEARLY	YEARLY
	DIFFERENCE	PERCENT	DIFFERENCE	PERCENT
WATER REVENUE	28,521	5%	97,139	1%
OTHER REVENUES	(16,665)	-23%	96,935	19%
<u>TOTAL REVENUES</u>	11,856	2%	193,235	3%
TOTAL EXPENSE	(1,556)	-0.27%	35,381	1%
<u>NET INCOME</u>	13,413	45%	157,853	17%



LAKE LIVINGSTON WATER SUPPLY CONSUMPTION / LOSS TREND

2025

	September - 2025	October - 2025	November - 2025	PERCENTAGE
CONSUMPTION	41443	43875	39292	SEP - 54% - 14% - 9% -23% - 00%
UNDOC SPOILAGE	6037	9771	10697	OCT - 50% - 22% - 8% -20% - 00%
DOC SPOILAGE	9374	8786	6313	NOV - 47% - 27% - 10% -16% - 00%
FLUSHING	3592	3515	3763	Undocumented Average = 21.00 %
BACKWASH	0	0	0	
CONSUMPTION	UNDOC SPOILAGE	DOC SPOILAGE	FLUSHING	BACKWASH



0  
UNDOC SPOILAGE

1  
6037

2  
9771

3  
10697