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

June 25, 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 June 25, 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, and John Long.

Other people attending the meeting were: Kim Click, Zuni David, Phillip Everett, Adrena Gilbert, Rebecca McMahon (Attorney at law), Brandon Champagne, Nick Tenney (Polk County SO) 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
The Pledge of Allegiance led by George Harris and prayer by John Sexton.

Agenda Item No. 3: Public Comment
Members of the public present were Joe Flarity, Holiday Shores III and J. Harris, Paradise Acres I. Mr. Flarity provided public comments.

Agenda Item No. 4: Reading and action on Past Meeting Minutes
Reading was waived of May 28, 2026; Regular meeting minutes; they were reviewed and approved. A **motion** to approve the minutes was made by Christi Allen and was seconded by Carolyn Ordner. Motion passed by the voting of all directors.

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

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

- Kim Click, General Manager – reported on the following:
    - SPI Engineering update
        - Awaiting TCEQ response for the ACR approval for Lake Run A Muck.
        - The transmission line on 356 is complete and the final inspection has also been completed. The punch list items are in progress and working on the close out documents.
        - Engineering has been working with TCEQ to remove the violation at the East Surface Treatment Plant regarding the schematics of the raw water

pumps were to be inoperable there not being enough pump capacity. In the event of this occurring we have Pine Shadows ground water well, which are sufficient and TCEQ has approved for the back up water source.

- Plant Inspection
  - The inspection of Country Sunrise noted a check valve needing repair, we are currently awaiting the check valve part for replacement.

- General updates
  - The arsenic levels for Putnam's Landing TCEQ Enforcement has been closed out. There is no fine or violation issued due to the levels naturally receding below the required MCL level of 0.010.
  - The removal of the ground storage tanks, aerator tower, propane tank, wood building at the Paradise Acres has been scheduled, weather permitting since the culvert has been installed. The concrete pump house will remain on site. The cost of this removal is $12000.00.
  - Copper Communication lines from the wells to the plants require upgrades to fiber lines because Eastex no longer supports the copper lines. The cost will be $3500 per site and the upgrade will begin at Wiggins Village #1.
  - The drainage system along the west side of the building and back shop parking lot are being upsized to 24" pipe. A new concrete channel will be to prevent flooding to the office building and shop. Work is scheduled to begin the last week of June weather permitting.

- Zuni David, Chief Financial Officer – reported on the following:
  - Net cash for May 2026, $1,484,329.00
  - See attached Financials.

- Phillip Everett, Field Superintendent – reported on the following:
  - Line loss keeps fluctuating and when a repair allows a valve is being installed.
  - Work Order and Line Loss reports attached.

- Rebecca McMahon, Attorney at Law-reported on the following:
  - No legislative updates.

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

<u>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.</u>
No closed session was held.

Agenda Item No. 8: Adjournment.
A **Motion** to adjourn was made by George Harris and seconded by Carolyn Ordner. The motion passed by the voting of all Directors. Meeting concluded at approximately 10:17 a.m.

Respectfully submitted,

Christi Allen

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

Lake Livingston Water Supply Corporation
Cash Flow Statement
May 2025 - 2026 Comparison

Inflows from Operations	2025	2026
Cash Received from Customers	600,171	568,165
Tap Fees	12,400	19,150
Sale of Surplus Equipment/Vehicles	-	
Sale of Real Estate	-	
Refunds or Rebates	1,231	1,304
Miscellaneous Cash Received	33,921	26,266
Total Cash Received	**647,723**	**614,885**

Outflows	2025	2026
Payroll	192,634	185,877
Chemical	12,987	7,889
Electrical	16,905	16,753
Maintenance of existing facilities	33,188	54,929
Maintenance of vehicles & equipment	6,059	3,538
Insurance - Medical	35,921	36,461
Insurance- Vehicles, Equipment & Plant	9,000	9,000
Fuel and lubrication of Vehicles & Equip.	7,707	11,643
Laboratory Testing	5,249	4,831
Operators supplies	1,847	507
Water & Raw Water	7,343	7,343
Office supplies	2,015	1,480
Comp./Equip. O&M including software	10,827	10,791
Postage	5,600	3,000
Interest	17,489	15,551
Director fees	2,870	3,346
Engineering fees	-	10,766
Legal fees	-	1,295
Utilities	3,822	4,521
Miscellaneous expenditures	25,884	30,874
Audit	-	26,215
Total Cash Outflow from Operations	**397,347**	**446,610**
Total Cash Surplus from Operations	**112,781**	**32,235**
Net Cash Surplus or (Deficit)	**1,694,537**	**1,484,329**

Available Funds	2025	2026
O & M Ending Balance	1,051,967	924,000
Electronic Funds	11,219	10,328
Construction Fund	518,570	517,766
Total Cash Avail.	**1,581,756**	**1,452,094**

Other Outflows	Current Month	Total Year to Date	Current Month	Total Year to Date
Co Bank Loan	30,755	148,128	19,300	146,794
T W D B Reserves	4,740	691,481	4,740	751,384
Spent Funds Total	**35,495**	**839,609**	**24,040**	**898,178**
Expected Funds Acct.	10,000	63,804	20,000	81,080
Sinking Fund	92,100	535,840	92,000	539,128
Holding Comm. Total	**102,100**	**599,644**	**112,000**	**620,208**

2026	
TOTAL CASH RECEIVED:	614,885
TOTAL CASH AVAILABLE:	1,452,094
SPENT FUNDS TOTAL:	(24,040)
HOLDING COMM. TOTAL:	(112,000)
TOTAL CASH OUTFLOW FROM OPERATIONS:	(446,610)
NET CASH TOTAL	1,484,329

2025	
TOTAL CASH RECEIVED:	647,723
TOTAL CASH AVAILABLE:	1,581,756
SPENT FUNDS TOTAL:	(35,495)
HOLDING COMM. TOTAL:	(102,100)
TOTAL CASH OUTFLOW FROM OPERATIONS:	(397,347)
NET CASH TOTAL	1,694,537

MISC REVENUE	2025	2026	DIFF
40050 WATER REV OTHER	(698)	6,392	(7,090)
40100 EQUITY BUY IN FEE	4,200	7,000	(2,800)
40205 LATE FEES	6,975	8,244	(1,269)
40210 METER RELOCATION FEE	-	325	(325)
40250 NON-PAY DISCONNECT FEE	3,800	3,250	550
40285 RETRUN CHECK FEES	1,085	980	105
45000 OVERAGE & SHORTAGE	8	22	(14)
46000 MISCELLANEOUS INCOME	18,472	-	18,472
46500 VENDING MACHINE SALES	79	53	26
TOTAL	33,921	26,266	7,655

MISC EXPENSES	2025	2026	DIFF
53000 GENERATOR FUEL	-	-	-
53010 GENERATOR MAINTENACE	9,447	-	9,447
54000 CUSTOMER RELATIONS	1,336	11,884	(10,548)
54500 WATER PRODUCTION FEES	37	39	(2)
55000 OTHER DIRECT COSTS	-	-	-
56010 BANK FEES	180	150	30
56015 ELECTRONIC PAYMENTS	2,273	2,307	(34)
56035 CONTINUOUS EDUCATION	1,461	175	1,286
56040 DUES & SUPSCRIPTIONS	10	504	(494)
56097 COMMITMENT FEES (COBANK)	194	194	-
56110 ADMINISTRATIVE SERVICES	5,221	9,593	(4,372)
56113 CONSULTANT SERVICES	-	-	-
56125 OPERATIONAL FEES	1,666	1,660	6
56130 MEALS	-	-	-
56134 PAPER	681	595	86
56140 PENALTIES & FINES	-	-	-
56150 PROPERTY FEES - POA	125	125	-
56165 RENT - EQUIPMENT	1,950	1,950	-
56170 REPAIRS & MAINTENANCE	-	-	-
56195 FLOWER FUND	-	-	-
56220 TRAVEL	-	143	
56225 UNIFORM SERVICES	924	1,225	(301)
56250 OTHER EMPLOYEE BENEFITS	64	330	(266)
56251 EMPLOYEE RECOGNITION	315	-	315
TOTAL	25,884	30,874	(4,990)

CoBank Loans Payment Tracking May 2026

	PRINCIPAL PAID	PRINCIPAL BALANCE
1/30/2026	18,852	1,046,491
2/27/2026	19,446	1,027,045
3/31/2026	19,044	1,008,001
4/30/2026	19,300	988,701
5/31/2026	19,237	969,464

<u>T04 Loan</u>

Effective date: 02/26/2025
Maturity date: 02/20/2030
Principal Paid: 19,237
Principal Balance: 969,464

TWDB Bonds Tracking – May 2026

STATUS	DUE DATE	AMOUNT	DETAIL
PAID	~~6/1/2026~~	~~41,427~~	~~2013 SEMI ANNUAL~~
	12/1/2026	211,427	2013 ANNUAL
	12/1/2026	855,000	2007 ANNUAL
		1,066,427	**REMAINING BALANCE AS OF 05/31/2026** **11,607,735**

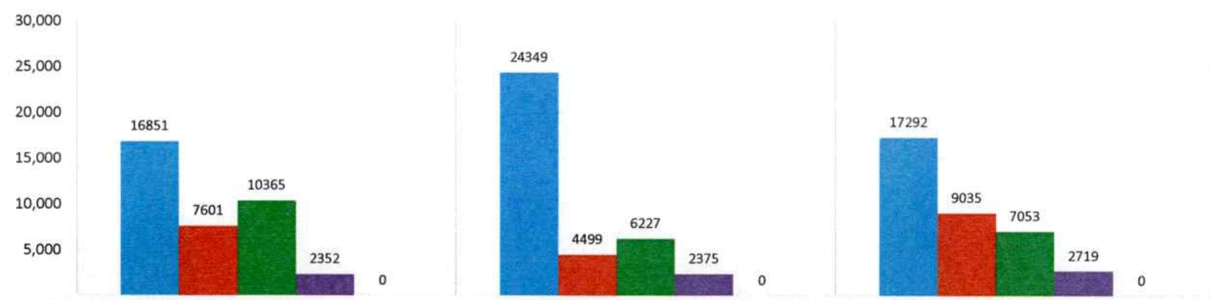
**CoBank + TWDB bonds = 12,577,199 as of 05/31/2026.

Budget/Actual Comparison May 2026

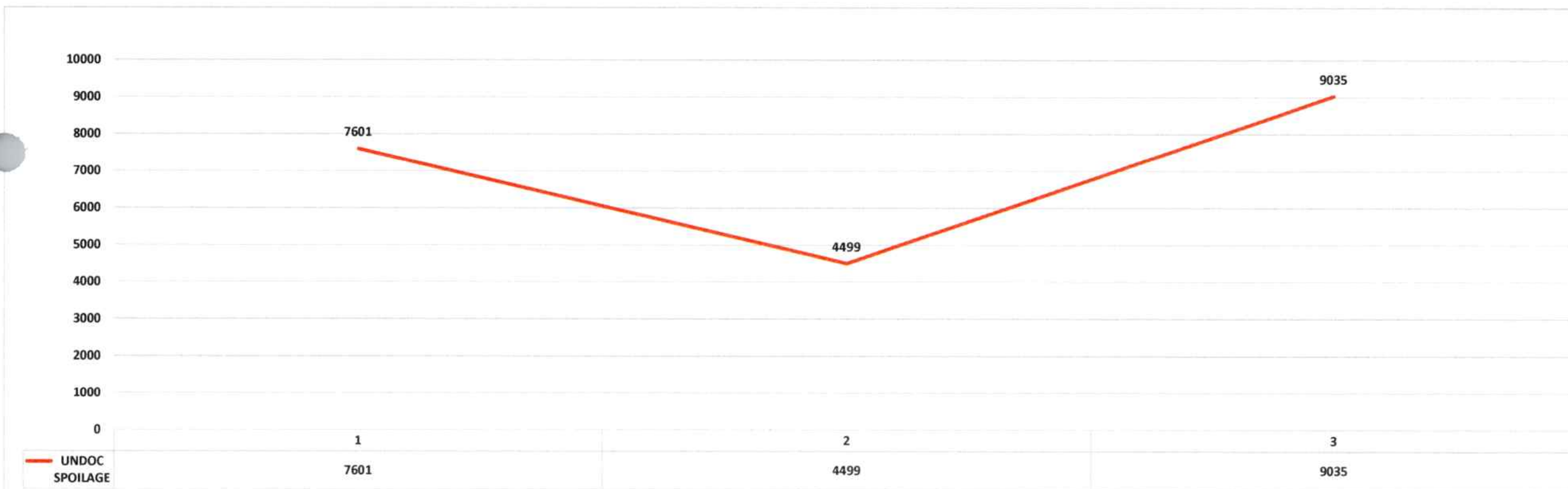
ACCOUNT DESCRIPTION	MONTHLY DIFFERENCE	MONTHLY PERCENT	YEARLY DIFFERENCE	YEARLY PERCENT
WATER REVENUE	(71,835)	-11%	28,451	1%
OTHER REVENUES	8,143	21%	5,701	3%
TOTAL REVENUES	(63,692)	-9%	34,151	1%
TOTAL EXPENSE	(33,899)	-6%	(195,542)	-7%
NET INCOME	(29,793)	-132%	229,693	92%

LAKE LIVINGSTON WATER SUPPLY CONSUMPTION / LOSS TREND 2026

	February - 2026	March - 2026	April - 2026	PERCENTAGE
CONSUMPTION	16851	24349	17292	FEB - 45% - 21% - 6% -28% - 00%
UNDOC SPOILAGE	7601	4499	9035	MAR - 65% - 12% - 6% -17% - 00%
DOC SPOILAGE	10365	6227	7053	APR - 48% - 20% - 7% -25% - 00%
FLUSHING	2352	2375	2719	Undocumented Average = 23.33 %
BACKWASH	0	0	0	
CONSUMPTION	UNDOC SPLOILAGE	DOC SPOILAGE	FLUSHING	BACKWASH



	February - 2026	March - 2026	April - 2026	



Completed Work Orders

Description	May Totals	2026 Line Loss
Short\Long Tap	8	
Meter Leak	7	7
Misc. Repair	17	
Test Meter	0	
Change Meter	41	
Flush Valve Repair	17	17
Flush Valve Install	0	0
1\2" Leak	0	0
3\4" leak	17	17
1" Leak	3	3
11\4" Leak	0	0
11\2" Leak	7	7
2" Leak	35	35
21\2" Leak	0	0
3" Leak	4	4
4" Leak	5	5
6" Leak	2	2
8" Leak	0	0
Clean Up	0	
Lower Lines	0	
Line Locates	156	
Look For Leaks	0	
Water Line Install	1	
Flush Code (A,B,C)	19	
Retap	40	
Occupant Change	0	
Reconnect Nonpay	1	
Disconnect Nonpay	45	
Disconnect Per Customer	20	
Disconnect NSF	3	
Possible Illegal	0	
Pull Idle	0	
ReRead Per Meter Sheet	355	
ReRead Per Customer	7	
Building Repair	1	
Pull & Plug Well	0	
Pressure Tank Repair \Install	1	
GST Repair	1	
A\C Repair \Install	0	
Cl2 Gas Repair	0	
Chemical Pump Repair	0	
Well Repair	1	
Booster Pump Repair\Install	1	
Control Repair	0	
Electricial Repair	2	
Site Glass Repair	0	
Master Meter Replacement	0	
total	817	97