

CONCAN WATER SUPPLY CORPORATION  
P. O. BOX 185  
CONCAN, TEXAS 78838  
BOARD MEETING MINUTES  
MAY 8, 2023

\*CALL TO ORDER: President Dick Earnest called the meeting to order at 3:00 p.m.

\*ROLL CALL: All members present.

\*INVOCATION: Given by Marshall Darby.

\*CUSTOMER RESPONSE TIME (THREE MINUTE TIME LIMIT EACH): There were no customers present to address the board.

\*READ AND APPROVE MINUTES OF PREVIOUS MEETING: The minutes having been read and there being no additions or corrections, Tim Hester moved the minutes be approved as read with Mike Meadows seconding the motion. Motion carried.

\*READ AND APPROVE FINANCIAL REPORT: Marshall Darby presented the report. Balance in the checking and saving accounts is \$107,427; total current assets \$150,000. Current Liabilities - \$70,000. Profit and Loss Statement (April 2023): cost of the pipeline construction to the yard is paid for. Mike Meadows asked the cost of completing the project. MD - \$10,000. Well drilling cost paid \$7,000. Marshall went through the items on the P&L statement which was given to each director, explaining the negatives. For April 2023, Water Sales were below amount budgeted by \$8,000. Total expenses were over budgeted amount by \$53,000. MD explained each item. Total Net Income was under budgeted amount by \$ 61,500. Yearly Profit and Loss Statement: total income was under budgeted amount by \$15,600; total expenses over budgeted amount by \$267,772. Total net income was under budgeted amount by \$313,000 for January – April 2023. There has been a negative amount each of the previous nine months. Marshall Darby and Dick Earnest explained the process of obtaining a line of credit with First State Bank of Uvalde. Marshall will meet with Roy Kothmann, an officer of the First State Bank of Uvalde on May 9, 2023. He will request establishing a

line of credit for \$250,000. Will inquire on the ease of increasing the amount if needed.

John Schott moved that the Financial Report be approved and to give Marshall Darby the permission to establish a line of credit with First State Bank of Uvalde for \$250,000, with Tim Hester seconding the motion. Motion carried.

\*AWARD PRESENTATION: The Board recognized H. Y. (Sonny) Gayle's 25 years of service on the Concan Water Supply Corp. with a plaque showing his tenure on the board. President Richard Earnest and member John Schott made the presentation.

\*DISCUSSION AND RESULTS OF NEW WELL 4A AND PROCEDURE FOR STATE APPROVAL; UPDATE OF NEW RIVER ROAD PIPELINE PROJECT: Dick Earnest explained the approval process to adhere to state regulations. Well 4A was flowing at 110/gallons/minute. The combined wells (4 & 4A) will produce 150/gallons/minutes. Utopia Sales will complete the well in the next couple of weeks. The water will then be sampled and H.Y. Gayle will complete the approval application. New pipeline is complete to the yard. Work continues on getting electricity to the new building on Mariposa.

\*DISCUSSION OF ARISMENDEZ RANCH WATER WELL AT COUNTRY CLUB SUBDIVISION: Dick Earnest explained the situation. By continuing on CWSC system it could possibly cause a cross-connection and contaminate CWSC public water supply. Upon the advice of the TCEQ and TRWA, it was explained to Mr. Arismendez that our meter would have to be removed, which was done.

\*DISCUSS CONTACT OF AUDITOR. TALKING WITH EDE & CO: Marshall Darby will contact the personnel at Ede & Co. about conducting an audit for CWSC.

\*ASSIGNMENT OF COMMITTEES BY DICK EARNEST, PRESIDENT:

\*Rewrite rate and tariff schedules:

Marshall Darby and Mike Meadows

\*By-Laws Revisions:

Terry Carson in conjunction with entire board.

\*Incorporate State Water Code into CWSC documents.

Each committee needs to examine the code when preparing their Reports.

\*Explore New Voting Procedures.

John Schott

\*Rewrite Customer Service Agreement and simplify.

Tim Hester and Brannon Hightower

\*Explore committee to work on obtaining grant money.

TBA

\*Update Tariff.

John Schott and Norma Gayle

\*OLD BUSINESS: None

\*NEW BUSINESS: None

\*ADJOURNMENT: With no further business brought before the Board, Marshall Darby moved the meeting be adjourned with Tim Hester seconding the motion. Motion carried. Meeting adjourned at 4:30 p.m.

Respectfully submitted,

Norma Gayle, Recording Secretary  
May 17, 2023

\*

[Handwritten mark]

**CONCAN WATER SUPPLY INCORPORATED**  
**Balance Sheet**  
**As of April 30, 2023**

3:21 PM

05/01/23

Accrual Basis

Apr 30, 23

**ASSETS**

**Current Assets**

Checking/Savings	12,736.12
1000 · Checking - FSB	58,063.85
1001 · Membership - FSB	36,627.21
1002 · Capital Acct.- FSB	<u>                    </u>
Total Checking/Savings	107,427.18
Accounts Receivable	<u>                    </u>
1004 · Accounts Receivable	39,764.21
Total Accounts Receivable	39,764.21
Other Current Assets	<u>                    </u>
1005 · Returned Checks	2,399.84
Total Other Current Assets	<u>2,399.84</u>
Total Current Assets	149,591.23

**Fixed Assets**

1179 · 2022 Chev. Silverado	47,024.43
1178 · 2019 Chevrolet Silverado Pickup	23,958.05
1177 · M62 Kubota Tractor	65,031.89
1150 · Land	12,196.08
1151 · Buildings	218,124.10
1152 · Roadway To Well	1,204.52
1155 · Storage Tanks	754,924.76
1160 · Wells-Pipe Lines	798,438.50
1161 · Developer Assets	474,471.13
1170 · Equipment	432,467.29
1180 · Depreciation Reserve	<u>-1,518,289.00</u>
Total Fixed Assets	<u>1,309,551.75</u>

**TOTAL ASSETS**

1,459,142.98

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

Other Current Liabilities	46,524.43
2233 · Chevrolet Silverado 2022	3,476.60
2100 · Payroll Liabilities	20,349.81
2200 · Sales Tax Payable	<u>                    </u>
Total Other Current Liabilities	70,350.84

Total Current Liabilities 70,350.84

Total Liabilities 70,350.84

**Equity**

3020 · Estimated Depreciation Equity	61,000.00
3001 · Opening Bal Equity	27,958.06
3002 · Developer Equity	474,471.13
3010 · Retained Earnings	1,220,671.90
Net Income	<u>-395,308.95</u>

Total Equity 1,388,792.14

**TOTAL LIABILITIES & EQUITY** 1,459,142.98

**CONCAN WATER SUPPLY INCORPORATED**  
**Profit & Loss Budget vs. Actual**  
**April 2023**

	Apr 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Water Sales	29,325.94	35,750.00	-6,424.06	82.0%
4010 · Late Charges	325.00	330.00	-5.00	98.5%
4020 · Membership Fees	1,750.00	1,000.00	750.00	175.0%
4025 · Equity Buy In	600.00	1,200.00	-600.00	50.0%
4030 · Meter Installation Fees	1,950.00	3,900.00	-1,950.00	50.0%
4035 · TCEQ Inspection Fee	200.00	400.00	-200.00	50.0%
4040 · AT&T Lease	1,134.45	1,134.45	0.00	100.0%
4062 · Miscellaneous	0.00	0.00	0.00	0.0%
4090 · Interest Earned	174.54	100.00	74.54	174.5%
4110 · Membership Refunds	-400.00	-637.50	237.50	62.7%
<b>Total Income</b>	<b>35,059.93</b>	<b>43,176.95</b>	<b>-8,117.02</b>	<b>81.2%</b>
Cost of Goods Sold				
5000 · Management Fee	2,685.83	2,685.83	0.00	100.0%
5010 · Material-Supply Maintene...	5,037.48	4,000.00	1,037.48	125.9%
5020 · Chlorination-Disinfection	0.00	0.00	0.00	0.0%
5040 · Water Sampling Fees	202.32	400.00	-197.68	50.6%
5050 · Contract Labor	0.00	500.00	-500.00	0.0%
<b>Total COGS</b>	<b>7,925.63</b>	<b>7,585.83</b>	<b>339.80</b>	<b>104.5%</b>
<b>Gross Profit</b>	<b>27,134.30</b>	<b>35,591.12</b>	<b>-8,456.82</b>	<b>76.2%</b>
Expense				
8115 · Payroll Adjustment	-3,852.90			
8036 · H2O Analytics	0.00	300.00	-300.00	0.0%
8181 · TCEQ Fees	0.00	0.00	0.00	0.0%
8035 · Blackboard	0.00	0.00	0.00	0.0%
8145 · Utilities				
8050 · Telephone-Radio	407.88	450.00	-42.12	90.6%
8150 · Electricity	1,422.85	2,200.00	-777.15	64.7%
<b>Total 8145 · Utilities</b>	<b>1,830.73</b>	<b>2,650.00</b>	<b>-819.27</b>	<b>69.1%</b>
8005 · Taxes				
8120 · Payroll Taxes	1,226.35	1,218.82	7.53	100.6%
<b>Total 8005 · Taxes</b>	<b>1,226.35</b>	<b>1,218.82</b>	<b>7.53</b>	<b>100.6%</b>
6560 · Payroll Expenses	0.00			
6999 · Uncategorized Expenses	0.00	0.00	0.00	0.0%
8000 · Supplies Miscellaneous	0.00	0.00	0.00	0.0%
8025 · Tools	0.00	100.00	-100.00	0.0%
8030 · Office Expense	10.00	800.00	-790.00	1.3%
8060 · Insurance				
8062 · Workers Compensation	0.00	0.00	0.00	0.0%
8061 · Property & Liability	601.00	0.00	601.00	100.0%
<b>Total 8060 · Insurance</b>	<b>601.00</b>	<b>0.00</b>	<b>601.00</b>	<b>100.0%</b>
8090 · Maintenance-Repair	225.00	5,200.00	-4,975.00	4.3%
8100 · Dues And Publications	0.00	0.00	0.00	0.0%
8105 · Further Education	0.00	0.00	0.00	0.0%
8110 · Salaries	15,742.08	15,551.42	190.66	101.2%
8190 · Professional Fees	116.00	40.00	76.00	290.0%
8220 · Vehicle Expense	797.93	1,650.00	-852.07	48.4%
8235 · Bank Charges	0.00	50.00	-50.00	0.0%
9000 · Estimated Depreciation	15,250.00	15,250.00	0.00	100.0%
9025 · Capital Equipment	0.00	0.00	0.00	0.0%
9040 · Capital Wells-Pipe Lines	27,574.99	0.00	27,574.99	100.0%
9050 · Capital Storage Tanks	11,400.00	0.00	11,400.00	100.0%
9075 · Capital Buildings	25,000.00	0.00	25,000.00	100.0%
<b>Total Expense</b>	<b>95,921.18</b>	<b>42,810.24</b>	<b>53,110.94</b>	<b>224.1%</b>
<b>Net Ordinary Income</b>	<b>-68,786.88</b>	<b>-7,219.12</b>	<b>-61,567.76</b>	<b>952.8%</b>
<b>Net Income</b>	<b>-68,786.88</b>	<b>-7,219.12</b>	<b>-61,567.76</b>	<b>952.8%</b>