

CONCAN WATER SUPPLY CORPORATION
P. O. BOX 185
CONCAN, TEXAS 78838
BOARD MEETING MINUTES
JUNE 12, 2023

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

*ROLL CALL: Brannon Hightower absent from the meeting (phone conference); Terry Carson absent. All others present.

*INVOCATION: Given by Marshall Darby.

*CUSTOMER RESPONSE TIME: No responses.

*AUDIT INFORMATION FROM DONNA EDE JONES ON AUDIT

PROCEDURES: Mrs. Jones explained the procedures. There are three (3) levels: 1. Compilation – no opinion given

2. Review – limited – agreed procedures – assurances

3. Audit – Balance, testing, internal control system – opinion

Proposal with amount: \$5,000 starting –

Marshall Darby questioned the needed documentation. CWSC uses desktop version of Quick Books. Discussion with Mrs. Jones concerning the process.

Marshall Darby moved to employ Ede & Co. to conduct a review with John Schott seconding the motion. Motion carried.

Mrs. Jones explained what the process of a review would include.

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

*READ AND APPROVE FINANCIAL REPORT: A copy of the Financial Report was distributed to each board member and is attached to these minutes. Marshall reported that a line of credit has been established

with the First State Bank of Uvalde. Mike Meadows asked about setting the generators. Joey explained that all are installed on slabs and wiring is complete. MD – asked if new building was completed. Joey confirmed it was, only need to adjust pressure switch. He is prioritizing needs. There has been an issue at the House Pasture. Tim Hester inquired about the bookings. They are down about 17%.

With no further discussion, Tim Hester moved the financial report be approved as presented with Mike Meadows seconding the motion. Motion carried.

***DISCUSSION ON OUR EQUITY BUY-IN FEE CALCULATIONS PROCEDURES FROM MARSHALL DARBY:** Marshall Darby explained the calculations on the equity buy-in fee that is done each year. Will talk with Gil Ybarra with TRWA when he comes for a visit on June 22.

***DISCUSSION AND RESULTS OF NEW WELL #4A AND PROGRESS FOR STATE APPROVAL:** BACT (3) SAMPLES WILL BE TAKEN ON MONDAY, TUESDAY AND WEDNESDAY AND TAKEN TO THE LAB FOR RESULTS. WHEN APPROVED, SONNY CAN PROCEED WITH PAPER-WORK FOR APPROVAL.

***UPDATE ON POSSIBLE VOTING PROCEDURES FROM JOHN SCHOTT:** John distributed information he had gathered about the firm that conducts elections for companies. The cost would be about \$7500.00. More research and feasibility will be conducted before a decision is made.

***UPDATE ON CUSTOMER AGREEMENT FORM:** Discussed the new form which Brannon and Tim agreed upon, noting the new restrictions concerning the Drought Contingency Plan that were added. Tim Hester explained that property management companies need to inform their customers about the restrictions. The new Customer Service Agreement has been posted on the CWSC website.

***UPCOMING INFORMATION:**

*TRWA meeting to be held in Uvalde on Tuesday 6/13/23.

*Meeting with TCEQ/TRWA FMT specialist Gil Ybarra on Thursday, June 22, 2023 concerning available funds.

*Turbidity meter problems and solutions.

*Upcoming workshops on Lead and Copper Rule. Kathy/Joey to attend in Kerrville. Derek/Norma to attend class in Uvalde.

*Meeting was held with Tony Moreno, our Circuit Rider from TRWA on Wednesday covering our up-coming three (3) year TCEQ investigation. Looks like our records are in good shape.

*Consumer Confidence Report is completed and will be placed on website by July 1, 2023. Link will be printed on the July bills.

***NEW BUSINESS:** TWDB Grant. Communication was received that CWSC has been invited to begin the process on applying for the \$500,000 grant.

***EXECUTIVE SESSION:**

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 5:10 p.m.

CONCAN WATER SUPPLY INCORPORATED

Balance Sheet

As of May 31, 2023

06/02/23

Accrual Basis

	<u>May 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
1006 · Line of Credit/FSBU	250,000.00
1000 · Checking - FSB	46,312.54
1001 · Membership - FSB	27,236.02
1002 · Capital Acct.- FSB	18,425.27
Total Checking/Savings	<u>341,973.83</u>
Accounts Receivable	
1004 · Accounts Receivable	47,084.81
Total Accounts Receivable	<u>47,084.81</u>
Other Current Assets	
1005 · Returned Checks	2,399.84
Total Other Current Assets	<u>2,399.84</u>
Total Current Assets	<u>391,458.48</u>
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	-1,518,289.00
Total Fixed Assets	<u>1,309,551.75</u>
TOTAL ASSETS	<u><u>1,701,010.23</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2233 · Chevrolet Silverado 2022	46,524.43
2100 · Payroll Liabilities	3,593.23
2200 · Sales Tax Payable	20,531.26
Total Other Current Liabilities	<u>70,648.92</u>
Total Current Liabilities	<u>70,648.92</u>
Total Liabilities	<u>70,648.92</u>
Equity	
3020 · Estimated Depreciation Equity	76,250.00
3001 · Opening Bal Equity	277,958.06
3002 · Developer Equity	474,471.13
3010 · Retained Earnings	1,220,671.90
Net Income	-418,989.78
Total Equity	<u>1,630,361.31</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,701,010.23</u></u>

CONCAN WATER SUPPLY INCORPORATED

Profit & Loss Budget vs. Actual

January through May 2023

	Jan - May 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Water Sales	129,881.95	140,250.00	-10,368.05	92.6%
4010 · Late Charges	1,588.15	1,650.00	-63.85	96.1%
4020 · Membership Fees	4,250.00	5,000.00	-750.00	85.0%
4025 · Equity Buy In	2,400.00	4,200.00	-1,800.00	57.1%
4030 · Meter Installation Fees	7,800.00	13,650.00	-5,850.00	57.1%
4035 · TCEQ Inspection Fee	800.00	1,400.00	-600.00	57.1%
4040 · AT&T Lease	4,504.76	5,639.21	-1,134.45	79.9%
4082 · Miscellaneous	328.76	300.00	28.76	109.6%
4090 · Interest Earned	1,649.31	500.00	1,149.31	329.9%
4110 · Membership Refunds	-2,807.94	-3,187.50	379.56	88.1%
Total Income	150,392.99	169,401.71	-19,008.72	88.8%
Cost of Goods Sold				
5000 · Management Fee	13,429.15	13,429.15	0.00	100.0%
5010 · Material-Supply Maintenance	55,972.06	20,000.00	35,972.06	279.9%
5020 · Chlorination-Disinfection	1,660.65	2,000.00	-339.35	83.0%
5040 · Water Sampling Fees	646.60	2,000.00	-1,353.40	32.3%
5045 · Meter Installation Cost	2,038.19			
5050 · Contract Labor	0.00	2,500.00	-2,500.00	0.0%
Total COGS	73,746.65	39,929.15	33,817.50	184.7%
Gross Profit	76,646.34	129,472.56	-52,826.22	59.2%
Expense				
8115 · Payroll Adjustment	0.00			
8036 · H2O Analytics	131.04	1,500.00	-1,368.96	8.7%
8181 · TCEQ Fees	2,528.33	3,000.00	-471.67	84.3%
8035 · Blackboard	0.00	0.00	0.00	0.0%
8145 · Utilities				
8050 · Telephone-Radio	2,284.66	2,250.00	34.66	101.5%
8150 · Electricity	10,658.78	11,000.00	-341.22	96.9%
Total 8145 · Utilities	12,943.44	13,250.00	-306.56	97.7%
8005 · Taxes				
8120 · Payroll Taxes	6,334.47	6,094.10	240.37	103.9%
Total 8005 · Taxes	6,334.47	6,094.10	240.37	103.9%
6560 · Payroll Expenses	0.00			
6999 · Uncategorized Expenses	2,500.00	0.00	2,500.00	100.0%
8000 · Supplies Miscellaneous	239.59	0.00	239.59	100.0%
8025 · Tools	0.00	500.00	-500.00	0.0%
8030 · Office Expense	6,925.37	4,000.00	2,925.37	173.1%
8060 · Insurance				
8062 · Workers Compensation	0.00	500.00	-500.00	0.0%
8061 · Property & Liability	1,420.88	0.00	1,420.88	100.0%
Total 8060 · Insurance	1,420.88	500.00	920.88	284.2%
8090 · Maintenance-Repair	27,528.61	26,000.00	1,528.61	105.9%
8100 · Dues And Publications	1,615.00	1,600.00	15.00	100.9%
8105 · Further Education	783.06	500.00	283.06	156.6%
8110 · Salaries	78,851.25	77,757.10	1,094.15	101.4%
8190 · Professional Fees	950.65	850.00	100.65	111.8%
8200 · Building & Lot Rent	900.00			
8220 · Vehicle Expense	9,556.06	8,250.00	1,306.06	115.8%
8235 · Bank Charges	242.10	250.00	-7.90	96.8%
9000 · Estimated Depreciation	76,250.00	76,250.00	0.00	100.0%
9025 · Capital Equipment	0.00	0.00	0.00	0.0%
9040 · Capital Wells-Pipe Lines	212,536.27	0.00	212,536.27	100.0%
9050 · Capital Storage Tanks	28,400.00	0.00	28,400.00	100.0%
9075 · Capital Buildings	25,000.00	0.00	25,000.00	100.0%
Total Expense	495,636.12	220,301.20	275,334.92	225.0%
Net Ordinary Income	-418,989.78	-90,828.64	-328,161.14	461.3%
Net Income	-418,989.78	-90,828.64	-328,161.14	461.3%