

**CONCAN WATER SUPPLY CORPORATION
P. O. BOX 185
CONCAN, TEXAS 78838
AUGUST 14, 2023
BOARD MEETING MINUTES**

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

*ROLL CALL: All directors were present.

*INVOCATION: Given by Marshall Darby.

*CUSTOMER RESPONSE TIME: None

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

*READ AND APPROVE FINANCIAL REPORT: Marshall Darby presented the report. He explained each section of the Balance Sheet and Profit and Loss Statements for July and for the year. The complete Financial Report is attached to these minutes. Mike Meadows asked if part of Marios' electrical bill included the generators. Joey explained that some of the electrical work had been completed, but not all.

Directors' Report: Loss of 440,650 gallons ; 6.49%.

Marshall has been in touch with Ede's Company concerning the audit. They have begun working on it.

With no further questions, John Schott moved the Financial Report be accepted with Tim Hester seconding the motion. Motion carried.

*DISCUSSION ON OBTAINING FINAL TCEQ APPROVAL FOR WELL 4A: All engineering and required paperwork has been filed with TCEQ. Waiting on approval.

***DISCUSSION OF NEW VOTING PROCEDURES:** John Schott explained the process of using an outside company to conduct CWSC elections. The board discussed the cost and feasibility of using a management company.

Tim Hester moved that CWSC not pursue this any further with Marshall Darby seconding the motion. Motion carried.

Dick Earnest thanked John Schott for investigating this option.

***INFORMATION AND RESULTS OF FENCE REPAIR AT OFFICE ENTRANCE:**

Dick Earnest distributed a letter from the grandmother offering to pay for the damage. However, the insurance company informed her it would be better to file a claim for the entire damage. Cost of repairs was \$800.00. Joey and Derek have repaired the fence. Mary Ann is working with the insurance company on the claim.

***UPDATE ON COMPLETION OF GRANT REQUEST FROM TWDB:**

Application for Financial Assistance in the amount of \$500,000 has been accepted. This is the first phase of the process.

Marshall Darby questioned if any communication from the Emergency Management Office as to the \$225,000 they had indicated was available for the hauling of water last summer. There has been no response.

Marshall suggested the board continue pursuing the Office for an answer.

***DISCUSS AND ASSIGN COMMITTEES:** Dick Earnest explained committees that need to be formed in September. He asked the members to read over the by-laws and consider the rate schedule.

These committees are:

- *Rewrite Rate and Tariff Schedules

- *By-Law Revisions

***COMMENTS:** Dick Earnest will compile a list of engineering firm in Texas that specialize in conducting comprehensive studies of water systems. This will aid in determining the future needs of CWSC.

Tim Hester questioned the water usage and availability for the upcoming Labor Day Week-End.

Joey explained that all the tanks will be full. He explained that wells 5 and 8 continue to be a problem. Once one goes down, it is shut in for several hours, then produces once again. Marshall Darby commented that looking at the continual drop of the river flow, it affects the wells. After discussion, it was the consensus of the board that a message be sent by Blackboard and Message Blast by Aug. 28, 2023 noting the following:

- *Water will be turned off on Friday, Saturday and Sunday nights
From 12 midnight until 6 a.m. (Sept. 1, 2, 3)

- *No outside watering or filling of pools will be permitted.

These messages will also be posted on the website.

Joey has contacted the trucking company if it becomes necessary to haul additional water from Well #4. The company needs a 2-3 day notice.

- *Members asked for a clarification of the proposed additional pipeline needed to bring water from Wells #4 and #4A. Joey explained the drawing showing the route and estimated cost of this project. There will be a fill line to fill the tanks and a distribution line to carry the water to the facilities. Distribution and fill will not come from the same pipe. Total estimated costs of all phases is \$350,000.

Tim Hester moved to get a quote for this project, with Mike Meadows seconding the motion.

Question: Marshall Darby questioned if the engineering comprehensive study should be done first. After discussion, Terry Carson commented that this project needs to be done for the foreseeable future.

Motion passed.

- *Brannon Hightower requested the September meeting be moved to Tuesday, Sept. 13, 2023, to which the board agreed. This change will be placed on the website.

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 4:50 p.m.

Respectfully submitted,

Norma Gayle, Recording Secretary
August 15, 2023

CONCAN WATER SUPPLY INCORPORATED

Balance Sheet

As of August 31, 2023

	<u>Aug 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
1006 · Line of Credit/FSBU	250,000.00
1000 · Checking - FSB	119,391.63
1001 · Membership - FSB	28,866.09
1002 · Capital Acct.- FSB	25,679.63
Total Checking/Savings	<u>423,937.35</u>
Accounts Receivable	
1004 · Accounts Receivable	74,779.02
Total Accounts Receivable	<u>74,779.02</u>
Other Current Assets	
1005 · Returned Checks	4,484.94
Total Other Current Assets	<u>4,484.94</u>
Total Current Assets	<u>503,201.31</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>1,812,753.06</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2233 · Chevrolet Silverado 2022	46,524.43
2100 · Payroll Liabilities	3,645.41
2200 · Sales Tax Payable	21,826.61
Total Other Current Liabilities	<u>71,996.45</u>
Total Current Liabilities	<u>71,996.45</u>
Total Liabilities	71,996.45
Equity	
3020 · Estimated Depreciation Equity	122,000.00
3001 · Opening Bal Equity	277,958.06
3002 · Developer Equity	474,471.13
3010 · Retained Earnings	1,220,671.90
Net Income	-354,344.48
Total Equity	<u>1,740,756.61</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,812,753.06</u></u>

CONCAN WATER SUPPLY INCORPORATED
Profit & Loss Budget vs. Actual
January through August 2023

	Jan - Aug 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Water Sales	391,330.90	423,500.00	-32,169.10	92.4%
4010 · Late Charges	2,612.30	2,640.00	-27.70	99.0%
4020 · Membership Fees	7,250.00	8,000.00	-750.00	90.6%
4025 · Equity Buy In	5,400.00	6,000.00	-600.00	90.0%
4030 · Meter Installation Fees	17,550.00	19,500.00	-1,950.00	90.0%
4035 · TCEQ Inspection Fee	1,800.00	2,000.00	-200.00	90.0%
4040 · AT&T Lease	7,908.11	9,042.56	-1,134.45	87.5%
4062 · Miscellaneous	-1,063.17	300.00	-1,363.17	-354.4%
4090 · Interest Earned	1,884.06	800.00	1,084.06	235.5%
4110 · Membership Refunds	-4,311.61	-5,100.00	788.39	84.5%
Total Income	430,360.59	466,682.56	-36,321.97	92.2%
Cost of Goods Sold				
5000 · Management Fee	21,486.64	21,486.64	0.00	100.0%
5010 · Material-Supply Maintenance	81,913.29	32,000.00	49,913.29	256.0%
5020 · Chlorination-Disinfection	3,982.75	5,000.00	-1,017.25	79.7%
5040 · Water Sampling Fees	1,613.05	3,200.00	-1,586.95	50.4%
5045 · Meter Installation Cost	2,038.19			
5050 · Contract Labor	0.00	4,000.00	-4,000.00	0.0%
Total COGS	111,033.92	65,686.64	45,347.28	169.0%
Gross Profit	319,326.67	400,995.92	-81,669.25	79.6%
Expense				
8115 · Payroll Adjustment	0.00			
8036 · H2O Analytics	1,694.56	2,400.00	-715.44	70.2%
8181 · TCEQ Fees	2,528.33	3,000.00	-471.67	84.3%
8035 · Blackboard	0.00	1,400.00	-1,400.00	0.0%
8145 · Utilities				
8050 · Telephone-Radio	3,717.58	3,600.00	117.58	103.3%
8150 · Electricity	22,099.72	17,600.00	4,499.72	125.6%
Total 8145 · Utilities	25,817.30	21,200.00	4,617.30	121.8%
8005 · Taxes				
8120 · Payroll Taxes	10,216.68	9,750.56	466.12	104.8%
Total 8005 · Taxes	10,216.68	9,750.56	466.12	104.8%
6560 · Payroll Expenses	0.00			
6999 · Uncategorized Expenses	2,500.00	0.00	2,500.00	100.0%
8000 · Supplies Miscellaneous	303.90	0.00	303.90	100.0%
8025 · Tools	0.00	800.00	-800.00	0.0%
8030 · Office Expense	7,784.44	6,400.00	1,384.44	121.6%
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%
8070 · Interest	0.21			
8080 · Equipment Rental	584.37			
8090 · Maintenance-Repair	61,185.31	41,600.00	19,585.31	147.1%
8100 · Dues And Publications	1,615.00	1,600.00	15.00	100.9%
8105 · Further Education	783.06	1,250.00	-466.94	62.6%
8110 · Salaries	128,891.45	124,411.36	4,480.09	103.6%
8190 · Professional Fees	1,070.65	970.00	100.65	110.4%
8200 · Building & Lot Rent	900.00			
8220 · Vehicle Expense	15,381.52	13,200.00	2,181.52	116.5%
8235 · Bank Charges	437.50	400.00	37.50	109.4%
9000 · Estimated Depreciation	122,000.00	122,000.00	0.00	100.0%
9025 · Capital Equipment	0.00	0.00	0.00	0.0%
9040 · Capital Wells-Pipe Lines	235,165.99	0.00	235,165.99	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	673,671.15	350,881.92	322,789.23	192.0%
Net Ordinary Income	-354,344.48	50,114.00	-404,458.48	-707.1%
Net Income	-354,344.48	50,114.00	-404,458.48	-707.1%