

Medina Water Supply Corp

Minutes of Board of Directors Meeting on 10/13/2025

at Medina Community Center

Meeting called to order at 6:01 pm by Board President Dan Poston.

Directors
Dan Poston
Roger Mora
Mike Guidry
Charles Anderson
David Reed
Jon Miller

Kevin Ayers - Contractor
Emerson Arnold - Operator

There is a quorum present.

Dan reminds the board that there is a board position available to backfill for Harvey Young.

Reading of Previous Meeting minutes

Dan, after reviewing the minutes, asked Roger if he investigated the CD laddering issues that were discussed last month. Roger said he had investigated it, and Kevin advised that he added it to the agenda to be discussed. Dan polled the directors to see if they had had a chance to review the previous minutes. The board indicated that there were no questions. Jon Miller moved to accept the minutes as published. This motion was seconded by Mike Guidry and carried with 6 positive votes.

Public Comments (5 minutes per speaker)

No community members were present to be recognized

Treasurer's Report

Mike Guidry sent out the report ahead of time. See included reports October 2025.

Total Income was reported at \$21,766, total expenses were \$13,624, overall we were in the black \$7942. Kevin highlighted a line item in the report, "Other Income Business" in the amount of \$642.45 that was the result of our Bandera Electric Coop profit sharing dividend. This amount is enough to cover 1 month of electricity service.

For the year to date, we are positive at \$37,434.59.

Dan wanted to present an idea for consideration that did not have a place on the agenda, but rather something he wanted the board to think about, so he did here. When he (Dan) was working for Aerovac, there was a membership program, and he learned that the utility in Corrizo Springs, TX added a small fee to everyone's bill and used the money to buy a group membership for everyone who paid into the utility, in case anyone needed a Medi-vac flight. A flight from Medina, TX to San Antonio TX cost is somewhere between 25-30,000 dollars. A membership covers whoever lives there at a registered physical address. Dan is going to reach out and get a quote to see how much a membership would be. This would be an issue that would have to be placed before the general membership.

Moving on from this, Dan polled the board for questions on the check register. Kevin highlighted mileage reimbursement. Also, an invoice from RGB, a \$5,000 replacement flush valve on Shepherd. \$3500 was parts

for the repair, the rest was labor. Because the parts were so much, Kevin checked the prices on USA Bluebook. RGB's parts were lower in price.

Kevin went on to highlight that we had a couple of returned checks this month. This distorts the report as a return check comes off the income side, and not the expense side. This caused a discrepancy in reporting, but at the end of the year it will all even out.

Also this month we had the work truck registration.

Charles Anderson moved to accept the Treasurer's report. The motion was seconded by Jon Miller. The motion was carried by 6 positive votes.

Accounts Report

The Accounts Report was provided in written form by Kevin Ayers. See the attached report titled October 13th. We are now at 262 accounts. Expect another one next month.

Total amount in arrears is \$196.99. No cut off notices sent.

No leak adjustments.

Produced just over 1.1 million gallons, sold 915,900 gallons.

Flush amount was 2500 over the typical amount because of the shepherd flush valve failure. an estimated loss for the two leaks on Linney.

Water loss was 13.07%

Finch plant loss was 15.13%

Stringtown plant lost 7.64%

System Bacterial test was clear on 9/9/25

Well #3 bacterial test was clear on 9/9/25.

Drought level is now Stage 3.

On 9/1 the office was closed for Labor Day holiday.

Mileage reimbursement breakdown

26 miles x 8 trips = 208 miles x .70 (IRS Rate).

The criterion triggering a bank run was changed to reduce the number of trips.

Dan polled the group for questions. Roger Mora made the motion to accept the accounts report. The motion was seconded by David Reed and carried with 6 positive votes.

System Operator's Report

See included reports September 2025 Facilities Report.

On 9/23 there were a few service items supervised by Emerson and conducted by RGB by batching up multiple service calls we save the trip charge. RGB is not called out for single issues, unless it is an emergency break/fix. The bulk of this service was covered by a new service fee. Going forward when a customer requests new service, their cost can be reduced if they agree to wait until we can schedule more work with it.

RGB will be coming out October 21st, to cover that valve on Finch, do an install, and add 4 valves that will allow us to segment outages and reduce their impact. There was some freeform conversation about segmenting the systems and testing some of the existing valves.

There is one more document to be done to have two complete operations manuals. These were completed for Current and Future Operators, but it is also there to satisfy compliance requirements for the TCEQ.

Jon Miller asks the questions, if there is an equivalent document for Account Operation Procedures, there is a binder, and a soft copy on the MWSC Computer.

Dan polled the group for questions. Roger Mora moved to accept the System Operators report. Motion was seconded by Mike Guidry and carried 6 with positive votes.

Old Business

Investment Options for MWSC.

Roger Mora, after last month's meeting, investigated money market funds to see if they are a better investment opportunity than a CD Ladder.

Banks pay almost no interest on the accounts, and while CDs pay more, the money is unavailable (cannot withdraw without penalty) during the CD term. The yields for CDs are still less than money market account. As of this report the yields for money market accounts are 4.05%. It is recommended we keep \$100,000 minimum in the account, and gains are taxable. Kevin believes that the minimum Wells Fargo balance is \$10,000. We could maintain two accounts, an MMA via Fidelity, and checking via Wells Fargo.

Dan asked about the membership fund. Kevin replied that this fund has to be maintained in a separate account. Dan suggested that we place this fund, which contains around 31,000 in a separate MMA. Further we maintain a balance of 50,000 in the Wells Fargo checking. Migrate the rest of the operating funds and place them in a money market account.

Roger proposes we set this up with the President, Vice President as key executives, and Kevin Ayers as an authorized user. Kevin Ayer and Jon Miller discussed reporting requirements for the monthly meetings, and tax documents. Jon Miller then discussed taking a trip to the Fidelity offices to ask questions and get a more detailed understanding of how it would work before we take it to a vote.

To bring all this together, Dan restated the discussion in principle. We will pursue 2 accounts, 1 MMA for the membership fund (unless it is OK to keep it in an account with other funds, Kevin to check and see what exactly is required), and 1 MMA for the general fund maintaining a balance of \$100,000 when possible. We will be retaining 50,000 in the general checking fund.

David points out that dividends from the membership fund can be invested in the other funds. This was followed by more freeform discussion on how the balances would be maintained and how often transfers would be made.

Action Items: Dan Poston and Jon Miller to check out Fidelity Investment and get details. Kevin Ayers to clarify the requirements for the Membership fund. Kevin Ayers to add an agenda item for a Decision on investment strategy for next month.

New Business

Procurement Committee

Roger Mora suggested that we form a procurement committee. As our infrastructure ages, we need to start planning for capital improvements and develop spending plans. Roger suggests a committee of 3 directors, an odd number to prevent voting deadlocks. Responsibilities would include working up proposals, vetting suppliers. The focus of the group would be large expenditure items like Tank replacements with a time horizon of 10 or more years. The committee would also work to reduce the likelihood of conflicts of interests. Kevin Ayers adds that historically the board has performed this function.

Roger volunteers to chair the committee, David Reed and Jon Miller volunteered to serve on the committee. Jon Miller added that this won't really be needed until we get funding. Also to ensure the required flexibility, we will need to add subject matter experts as required.

Annual Pay Adjustment

We have evaluated the performance of our account manager and agree Kevin Ayers does a great job. While we wish it could be more, the board met in executive session and approved a pay increase of 3%. The contract will be amended to reflect this new rate.

Dan Poston has made proposal to award a 3% pay increase to our account manager Kevin Ayers to go into effect on November 1, 2025.

Jon Miller makes the motion for this proposal. Roger Mora seconded the motion and it was carried with 6 positive votes.

Roger asked a general question about which government agency offers low interest loans. Kevin Ayers advises that TWRA has a list of member banks that provide loans to utilities. Roger suggests maybe using the MMA as a security for a loan. This stimulated a discussion about securing funding in the event of an emergency or catastrophic failure

Jon Miller moved to adjourn the meeting. Motion was seconded by Roger Mora and was carried by 6 positive votes.

Meeting Adjourned at 7:15 PM.

Minutes approved as _____distributed_____amended.
