

Medina Water Supply Corp

Minutes of Board of Directors Meeting on 09/08/2025

at Medina Community Center

Meeting called to order at 6:00 pm by Board President Dan Poston.

Directors

Dan Poston

Roger Mora

Mike Guidry

Kevin Ayers

Charles Anderson

David Reed

Jon Miller

Community Members

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 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 David Reed 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 September 2025.

Total Income was reported at \$17,529, total expenses were \$14,433, overall we were in the black \$3096. There were no unusual expenses. For the year we are currently at \$29,491. Mike goes on to report that for the month there was a discrepancy that resulted from NSF returned check. Kevin explained that when this happened a few months ago, this caused them to address some issues in the categorization of expenses. This NSF check fee came out of the income and not expenses. This caused the discrepancy in reporting.

Switching to the check register Kevin informed that we spent \$2900 with RGB for both repairs on Linney. Roger Mora asked if an itemized invoice was available. Kevin says there is an itemized breakdown of the work. Roger then asks about the rates. Kevin also highlighted \$2500 for tank inspections. On 8/5 - \$580 this was to replace two chlorine cylinders.

Dan observed that our operating costs are better than they have been historically and asked about the rate change for September. Kevin said that next month (October 2025) we should see the increase reflected in the accounts.

David Reed asked for an explanation of the category named Contract Services. Kevin explained that this was anything RGB, the chlorine gas, Emerson's paycheck, Kerr Pump. Any contracted work. Kevin's compensation is categorized under Accounts Management.

Jon Miller asked why the chlorine had 2 line items. Kevin explained that one was bottle rental, and one was the chlorine refill. Kevin stated that we typically use 3 bottles of chlorine gas per year.

Roger asked about the Orchard Park expense for \$394, did someone move out of Orchard Park? This was the faucet at the front of development. They closed this out but since they paid in advance, they had credit.

Dan Poston moved to accept the Treasurer's report. The motion was seconded by Charles Anderson. 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 September 8th.

We are now at 261 accounts.

Total amount in arears is \$156.88. No cut off notices sent.

No leak adjustments.

Produced just over 1.1 million gallons, sold 917,000 gallons.

Flush amount was 5000 over the typical amount because it includes an estimated loss for the two leaks on Linney.

Water loss was 16.3%

Finch plant loss was 20%

Stringtown plant lost 5%

System Bacterial test was clear on 8/20/25

Well #3 bacterial test was clear on 6/23/25. Will be tested again this month, later in the month.

Also repaired this month were two leaks in the Finch Plant distribution. A leaking flush valve on Shepherd, and a leaking service around the corner. The flush valve replacement was around \$4,000 and can be expected on next month's expenses.

Drought level is now Stage 3.

On 8/27 the office was closed at 1:30 for dental work. Time in Lieu was used instead of paid time off.

TWDB on the report shows our current ranking after applying the last 3 years. (lower is better), 2023 – 160, 2024 – 96, 2025 – 52.

David asked how many are selected. Kevin answered the top 15 – 20 or so. Kevin estimates that we may not get a grant in 2026, but probably the year after that. The Hydrological and Socio-Economic studies have made the big jumps but there are no more big items that can be done. Kevin will pursue smaller tasks that move us up the list.

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

System Operator's Report

See included reports August 2025 Facilities Report.

Emerson was on vacation, so Kevin delivered this report focusing on the following highlights.

- 1) The leaks on 8/5 – 8/6 and 8/14.
- 2) Tank inspections.
- 3) Soji came out and fixed the generators on 8/14.
- 4) Total hours 56 hours, plus 4 hours of Overtime for the leaks since they were out of normal hours. This stimulated some conversation about the payment hours, overtime hours, call-out overtime hours, and the contract language.

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

Old Business

There was no old business

New Business

Tank Inspections

The tanks need to be resurfaced, coated and painted; this was the biggest issues. The optical measurement instruments to measure coating thickness could not read the thickness as it was too thin. The interior of the Finch surface tank.

TWDB Grants

We covered the status in the Accounts Reports; it is unlikely we will be picked for a couple of years. Our top project items are the Finch Tanks repainting, and a replacement tank at Stringtown. Kevin obtained updated quotes for these items, and they come in at \$350,000. These tanks have not been painted in the last 28 years as we can find in the records. Kevin

recommended that we pursue financing and get a loan to do this. The grant process will take at least 3 years. But we shouldn't wait. Jon Miller suggested patching the worst areas. From the inspection report the elevated tank has minimal paint and moss on the exterior surface. David Reed asked about the wall thickness of the tank, but this was not known. Dan Poston asked about emergency funding, and could the grant pay off a loan. Kevin reported that this was not the case. If we take a loan for this project, we move it off the PIF and use grant money for the remaining priorities. Charles Anderson asked how much it would cost to replace the tank in the worst condition. Kevin reported that this would be the Stringtown surface tank, and the cost would be approximately \$100,000. McGuire Iron does offer a financing play consisting of 5 annual payments.

Wells Fargo

Jon Miller and Dan Poston went to Wells Fargo last month to bring the key executives on file and the access list for the accounts current. Key Executives are Dan Poston and Jon Miller. Mike Guidry, Kevin Ayers, and Dan Poston have access to the savings and checking accounts.

While there, the agent put forward an option of buying a CD to improve the return from account interests. We then discussed the option of setting up a CD Ladder, where we buy a CD every month, so that after a couple of months the money would be available for use if needed. Roger Mora stated that Money Market accounts pay hire interests.

Dan Poston proposed that given a 4 month term, we buy 4 separate CDs of a to be determined amount equal to or greater than the \$5000.00 minimum. We have the capability to go up to \$10,000 per purchase. After the first 4 months, the first CD would mature, giving us back access to the funds, at this time, we could reinvest, or we could re-allocate the money to other MWSC initiatives. There was some freeform discussion on the amount to potentially invest into the CD ladder, the difference between CDs vs Money Market, the consequences of locking up that much liquidity, and the effect on the equity buy-in fees, as well as the mechanics of how we would account for this activity.

The consensus reached is that we have a fiduciary responsibility to make money for the company, but that we will take some time do some more research, and add it to next month's agenda.

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

Meeting Adjourned at 6:57 PM.

Minutes approved as _____distributed_____amended.
