Aqua Water Supply Corporation
Board of Directors Meeting
Tuesday, May 6, 2025

Present: David Glass, Bill Tomsu, Mark McArthur, Craig Williams, Pam Harkins, Howard McCall, Linda Garcia, and Mark Hippler

Absent: Barry Barker

Staff: Dacy Cameron, Heather Tucker, Christie Nutt, Frank Pacheco, Cody Boatright, Emily O'Leary, Hollye Fain, Jason Kennedy, Ashley Abshier, Jody Pruitt, Abby Valderrama, and Alma Villarreal

Consultants: Joe Morris, Ty Embrey of Lloyd Gosselink, and Curtis Steger of Steger & Bizzell Engineering, Inc.

Guests: Mary Barton representing Quiddity Engineering, Nash Mock and Derek Klenke representing Trihydro, and Michael Irlbeck representing EPCOR

President David Glass called the meeting to order at 9:02 a.m.

Mr. Glass invited all in attendance to stand and recite the Pledge of Allegiance to the national and the state flags.

Mr. Tomsu delivered the Invocation.

President Glass announced the next regularly scheduled board meeting would be held on Tuesday, June 3, 2025, at 9:00 a.m. Mark McArthur informed the board that he will not be in attendance.

There was no member communication.

Craig Williams shared that the annual Smithville Livestock Show was very successful and thanked Aqua WSC for their support on behalf of the show committee. Mr. Williams reported that $300,000 was raised for seventy projects.

Craig Williams made a motion to approve the minutes of the April 8, 2025, board meeting. Mark McArthur seconded the motion, and the motion carried.

Mark McArthur made a motion to approve the bills as paid. Pam Harkins seconded the motion. The board reviewed the bills as paid. Staff responded to questions asked by the board. The motion carried.

The board reviewed the financial statement.

Mark McArthur made a motion to retain Montemayor Britton Bender, PC for Aqua's FY 2025 Annual Audit. Linda Garcia seconded the motion, and the motion carried.

Bill Tomsu announced that several months ago Aqua WSC tragically lost a valued employee, Mitchell Tiner, and shared the scholarship committee's plan to establish a technical scholarship in his memory. He emphasized that the new scholarship aims to honor Mitchell's legacy. Heather Tucker noted that the application deadline is May 15, 2025, so the new scholarship will not be implemented this year. She suggested the scholarship committee define the scholarship qualifications during the review process in June. Linda Garcia proposed moving the application deadline earlier to ensure timely announcement of winners before graduation. Mrs. Garcia will discuss with the committee during the scholarship application review process and notify Aqua staff of any changes. Mark McArthur made a motion to dedicating a technical scholarship in memory of Mitchell Tiner. Craig Williams seconded the motion, and the motion carried.

Linda Garcia made a motion to appoint a Trustee to the Aqua WSC 401(k) Plan. Resolution 25.05.01. Howard McCall seconded the motion, and the motion carried.

Craig Williams made a motion authorizing condemnation for Weddington Twin Oaks Estate, Inc. of the Hinton Transmission Main Project. Resolution No. 25.05.02. Howard McCall seconded the motion. Emily O'Leary presented a briefing and discussion. Mrs. O'Leary recommended to the board that any questions regarding compensation or offers that were made should be addressed in executive session. The motion carried.

Craig Williams made a motion authorizing condemnation for Stanley White and The Estate of Monika White of the Foster Well Project. Resolution No. 25.05.03. Pam Harkins seconded the motion. Emily O'Leary presented a briefing and discussion. Mrs. O'Leary recommended to the board that any questions regarding compensation or offers that were made should be addressed in executive session. The motion carried.

Linda Garcia made a motion to approve a partial release of easement as requested by DFW33220N, LLC, a Delaware limited liability company. Resolution No. 25.05.04. Criag Williams seconded the motion. Emily O'Leary provided a briefing and discussion. The motion carried.

Craig Williams made a motion to approve a partial release of easement as requested by New Direction IRA, Inc., f/b/ Kyle B. Cole IRA. Resolution No. 25.05.05. Pam Harkins seconded the motion. Emily O'Leary provided a briefing and discussion. The motion carried.

Howard McCall made a motion to approve an Amendment to the City of Elgin Master CCN Transfer Agreement for Lund Farms 16.67 ac addition. Linda Garcia seconded the motion. Emily O'Leary presented a briefing and discussion. The motion carried.

Craig Williams made a motion awarding the 24" line at the intersection of 535 and 304 to K & R Flanigan Construction. Howard McCall seconded the motion. Emily O'Leary provided a briefing and discussion, then stood for questions from the board. The motion carried.

Howard McCall made a motion awarding the Delhi to Flaghill Transmission Main Ph 2 to Herschap Backhoe & Ditching LLC. Mark McArthur seconded the motion. Emily O'Leary provided a briefing and discussion, then stood for questions from the board. The motion carried.

Linda Garcia made a motion awarding the construction of Webberwood EST. Howard McCall seconded the motion. Emily O'Leary stated that bids for the tank construction were requested from three top builders, but only Landmark Structures and Caldwell Tanks Inc. submitted bids. Although Caldwell Tanks had the lowest bid, past issues with their work led the tank inspector, Robert Boswell, to recommend Landmark Structures based on their strong performance on similar projects. Mrs. O'Leary advised awarding the contract to Landmark despite the higher cost, prioritizing quality. Craig Williams emphasized that the foundation of this tank is the most critical part, and it will require adequate supervision during the construction. Mrs. O'Leary stated that she will collaborate with Trihydro to obtain auxiliary construction management support. Given the minimal price difference, the board awarded the construction of Webberwood EST to Landmark Structures. The motion carried.

Mark McArthur made a motion awarding the drilling of Lower Red Rock Road Well. Howard McCall seconded the motion. Emily O'Leary explained that although bids were requested from three contractors, only Russell Drilling, Inc. submitted a response. Given that they were the sole bidder, Mrs. O'Leary recommended awarding the contract to Russell Drilling, Inc. The motion carried.

Dacy Cameron provided a briefing and discussion on revising Aqua Water Supply Corporation Terms and Conditions for Wholesale Water Service to areas outside Aqua WSC's CCN No. 10294. Mrs. Cameron indicated that the current set of terms and conditions will not be submitted to the board for approval at this moment, as it is necessary to provide all parties involved with a 60-day notice regarding the forthcoming changes, with the aim of seeking approval from the board in July. The primary modification involves a restructuring of the rate. Additionally, clean up the definitions and combine a policy with terms and conditions. Mrs. Cameron then stood for questions from the board.

President Glass made a formal request to the board for the approval of the feasibility studies pertaining to agenda items 22(a) through 22(n). Mr. Glass inquired with the board regarding the existence of any feasibility studies that require discussion prior to granting approval. The board acknowledged the presence of discrepancies on the supporting documents for agenda item 22(e), which will be rectified. Howard McCall made a motion to approve agenda items 22(a) through 22(n). Mark McArthur seconded the motion, and the motion carried.

Dacy Cameron mentioned that the Strategic Planning Committee met on April 11, 2025. The committee meeting focused on improving efficiency within Aqua's development process. It was agreed that Aqua staff would continue handling feasibility studies in-house for smaller developments (four LUEs or fewer), while larger studies would still be outsourced due to limited internal engineering resources. The discussion also highlighted the need for better response times to applicants, which may require additional staffing, increased compensation to attract talent, and possible outsourcing. An updated departmental policy aimed at enhancing efficiency and transparency was presented and explained the current bidding procedures. There were concerns about conflicts of interest with developer contractors, reaffirming that contractors cannot perform both internal work and approach mains, but will continue to be included in bid solicitations. The committee supported a 30-day goal for feasibility study completion but recommended informing applicants of a 60-day timeline to help manage expectations. Lastly, Linda Garcia proposed utilizing the TRWA Apprenticeship Program to support recruitment, and Dacy Cameron confirmed that Aqua is now a qualified employer in the program and is exploring enrolling current staff to benefit from its offerings.

Linda Garcia reported no meeting was held, and there were no recommendations from the Finance Committee.

Craig Williams reported no meeting was held, and there were no recommendations from the Performance Review Committee.

Bill Tomsu reported no meeting was held, and there were no recommendations from the Corporate Governance Committee.

David Glass reported no meeting was held, and there were no recommendations from Aqua's Public Relations Committee.

Dacy Cameron reviewed the General Manager's Report. Mrs. Cameron then stood for questions from the board.

Emily O'Leary gave a briefing on the Subdivision Development report. Mrs. O'Leary then stood for questions from the board.

Emily O'Leary gave a briefing on the Engineering and Construction Report. Mrs. O'Leary then stood for questions from the board.

Hollye Fain shared that new information has surfaced which could affect the new Aqua logo, and this will be addressed in executive session. President Glass stressed the importance of trademarking the logo, but in the meantime, she had Hahn revise the logo based on the latest input and presented the updated version to the board. Mrs. Fain also informed the board about upcoming events, including Aqua's sponsorship of Hospital Week by providing lunch and company swag, the upcoming Aqua Staff Appreciation Day, and a blood drive to be hosted at Aqua WSC's main office.

Joe Morris provided his Government Relations overview. Mr. Morris then stood for questions from the board.

President Glass adjourned Regular Session at 10:32 a.m. for a break.

Mr. Glass reconvened Regular Session at 10:53 a.m.

There was no General Counsel's Report.

President Glass adjourned the Regular Session at 10:53 a.m. and immediately convened an Executive Session under the Texas Government Code, Section 551.071, for purposes of legal advice and consultations with Aqua's general counsel, Texas Government Code, Section 551.072, for the purposes of deliberating real property, and Texas Government Code, Section 551.074, for purposes of discussing personnel matters.

President Glass adjourned the Executive Session at 11:23 a.m. Mr. Glass reconvened the Regular Session at 11:23 a.m. He stated no action was taken and no decisions were made in the Executive Session.

Linda Garcia made a motion to approve the EPCOR Agreement to reduce the amount to 2.5 MGD and cap their maintenance shutdown to seven days.

There being no further business, President Glass adjourned the meeting at 11:24 a.m.

Approved: June 3, 2025

William F. Tomsu, Secretary Treasurer

Linda Garcia, Vice President