

Sturdivant-Progress Water Supply Corporation

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June 1, 2024

President Scott Royal welcomed everyone to the 2024 Sturdivant Progress WSC annual member and Consumer Confidence meetings.

He then made an introduction of water board directors: President, Scott Royal; Vice-President, Jeff Smith; Secretary-Treasurer, Penny Snow; Mike Johnson; Steve Byrom; Sarah Hahs; and Jeff Stow. As a guest we have Marty Durbin from our accounting firm, Crawford, Carter, and Durbin. He will read you through the financials report for the yearend.

C.P.A., Marty Durbin of Crawford, Carter & Durbin, LLP, presented a summary of the Compiled Financial Report for the years 2023/2024. Copies of this Financial report are available to review in the Sturdivant Progress WSC office. Sturdivant Progress WSC is doing good financially. There is an extensive list of projects coming up, so we are unable to pay out dividends.

Scott Royal then asked if there were any questions concerning the 2023 CCR. There were no violations from TCEQ to discuss. There were no questions.

Scott then gave an update on the system.

The first topic of discussion is water rates. The City of Mineral Wells went up 2 1/2 on their rate. Sturdivant went up only 2. So far this year we have barely been in the black, each month. The City of Mineral Wells is planning to go up 13 to 15% in October. The lake level is up enough that they should not have to do the reverse osmosis. We went well below their last increase. However, we will not be able to do that with the next increase. We do have a lot of improvements that we need to get done in the coming year.

TCEQ – the state agency that regulates us, says that we need another large expansion on our storage tanks.

We have a large concrete line that is the heart of our system, which is past its life expectancy. It is a large expensive project that we need to be ready to repair / replace if it begins to fail.

We know that we have pressure problems in various areas of the system that need to be addressed.

We currently have three working wells at Gill Ct that produce 1.4% of the water that we use this year. We also have three wells at Carter Rd that have been ready for 4 years. We are still waiting on TCEQ approval to put them online. The wells on the Buchanan / Hwy 281 property were sold with some of the land, so that we would be able to begin some of our projects. We did retain enough land to later drill new wells. The wells may help us a little, but they are not the long-term solution.

It is estimated that we have about 2 million dollars of known projects that need to be completed. And we have less than half of that currently available.

Director Sarah Hahs read the minutes from last year's annual meeting, June 1, 2023. Bruce Watson, made a motion to approve the minutes as read. Director, Steve Byrom seconded. The motion was approved.

SPWSC updated the Company Tariff. A copy is available for review in the Sturdivant Progress office. A motion was made and seconded to approve the new Tariff. The new tariff was adopted on June 1, 2024.

Scott then recognized the outgoing directors, JB Watkins, who retired and James Slattery who has been on the board since 1999.

We then had 3 open seats for the board. The independent auditor gave the results of the election. 130 ballots were cast. The new directors are Shawn McDougle, Nathan Buschow and Steve Byrom.

Next was the drawing for door prizes. All who attend will receive a discount on their July water bill.

Director, Sarah Hahs made a motion to adjourn the annual meeting. Director, Jeff Smith, seconded.

2024 Annual meeting adjourned, and the Directors re-convened for the first business meeting as a new Board.

President, Scott Royal

Secretary-Treasurer, Penny Snow