

Annual Membership Meeting Agenda

Dean Water Supply Corporation

Tuesday, April 13, 2021

Dean WSC Office

6:15 p.m.

1. CALL TO ORDER
2. GENERAL PUBLIC SPEAKS
3. MEMBERS PRESENT
4. QUORUM PRESENT
5. MINUTES (pp. 2)
6. UPDATE REPORTS
 - a. PRESIDENT'S/GENERAL MANAGER'S REPORT
 - b. REPORT OF SYSTEM FINANCES (pp.3-5)
 - c. OPERATOR'S REPORT
 - d. REGULATORY REPORT
7. RESOLUTION DECLARING UNOPPOSED CANDIDATES (p. 6)
8. CLOSING COMMENTS/NEXT ANNUAL MEMBER MEETING: APRIL 2022 (EXACT DATE TBD)
9. ADJOURN

**Dean Water Supply Corporation
Annual Membership Meeting
Tuesday, December 1, 2020**

CALL TO ORDER

Mr. Barr called the meeting to order at 6:18 p.m.

GENERAL PUBLIC SPEAKS

No members were present to speak.

MEMBERS PRESENT/QUORUM PRESENT

All 7 Directors were connected via conference call, with Mr. Barr, Billy McMillan, Tracy Hasting and Diane Rowe present and socially distanced in the board room at the Dean Water Supply Corporation office. No members were present or connected via conference call.

MINUTES

Minutes from the April 23, 2019 annual membership meeting were distributed to the Directors in advance and made available online to the membership at deanwatersupply.com. A motion was made by Bill Shanholtz, second by Kirk Story, to accept the minutes as written. There were no additions or corrections, and Mr. Barr declared the minutes approved as written.

UPDATE REPORTS

PRESIDENT'S REPORT

Mr. Barr stated that the Annual Membership Meeting was delayed this year due to COVID-19, but we will be back on track in April 2021.

REPORT OF SYSTEM FINANCES; OPERATOR'S REPORT; REGULATORY REPORT

Since no members were present it was decided that the annual system finances, operator's report, and regulatory report would be presented in the Bi-monthly Director's Meeting, which commenced at the adjournment of the Annual Membership Meeting.

RESOLUTION DECLARING UNOPPOSED CANDIDATES

Both candidates up for re-election ran unopposed. A resolution was read into the record declaring both Sheila Hartsfield and Kirk Story to be elected Directors of the Dean Water Supply Corporation for another three-year term pursuant to the Texas Water Code Section 67.0055.

NEXT ANNUAL MEMBERSHIP MEETING

The next Annual Membership Meeting will be held in April 2021 at 6:15 p.m. The exact date will be determined and announced in accordance with the Open Meetings Act.

ADJOURN

There being no further business, Mr. Barr adjourned the meeting at 6:23 p.m.

Michael E. Barr, President

Date: 4/13/21

Bonnie Brooks, Secretary/Treasurer

Date: 4/13/21

Dean Water Supply Corp.
Balance Sheet
December 31, 2020

ASSETS

| | | |
|-------------------------------|----|----------------------------|
| Current Assets | | |
| Operating Checking Account | \$ | 530,114.83 |
| Citizen's BUS INT Checking | | 367,232.54 |
| INTEREST ALTRA & SUPER NOW | | 182,864.16 |
| Accounts Receivable | | 93,553.89 |
| Inventory | | 39,038.35 |
| Prepaid Expenses | | 3,502.00 |
| Furniture & Office Equipment | | 32,682.04 |
| EQUITY BUY IN FEE | | 5,500.00 |
| EQUITY BUY IN | | (5,500.00) |
| AllCovered | | 9,183.08 |
| AMERITAS | | 482.40 |
| COLONIAL | | 3,462.09 |
| 5 STAR EMPLOYEE PD LIFE | | 2,896.80 |
| | | <hr/> |
| Total Current Assets | | 1,265,012.18 |
| Property and Equipment | | |
| Water System & Improvements | | 2,427,623.42 |
| Vehicles & Heavy Equipment | | 255,847.30 |
| Buildings | | 288,382.00 |
| Accum. Depreciation - Prop&Eq | | (1,900,717.87) |
| | | <hr/> |
| Total Property and Equipment | | 1,071,134.85 |
| Other Assets | | |
| Land | | 45,828.00 |
| | | <hr/> |
| Total Other Assets | | 45,828.00 |
| | | <hr/> |
| Total Assets | \$ | <u><u>2,381,975.03</u></u> |

LIABILITIES AND CAPITAL

| | | |
|-------------------------------|----|----------------------------|
| Current Liabilities | | |
| Accounts Payable | \$ | 4,860.00 |
| Deductions Payable | | 7,687.78 |
| Federal Payroll Taxes Payable | | 1,259.38 |
| State Payroll Taxes Payable | | 32.40 |
| Customer Deposits | | 28,431.14 |
| | | <hr/> |
| Total Current Liabilities | | 42,270.70 |
| Long-Term Liabilities | | |
| | | <hr/> |
| Total Long-Term Liabilities | | 0.00 |
| | | <hr/> |
| Total Liabilities | | 42,270.70 |
| Capital | | |
| Retained Earnings | | 2,100,509.44 |
| Net Income | | 239,194.89 |
| | | <hr/> |
| Total Capital | | 2,339,704.33 |
| | | <hr/> |
| Total Liabilities & Capital | \$ | <u><u>2,381,975.03</u></u> |

Unaudited - For Management Purposes Only

Dean Water Supply Corp.
Income Statement
For the Twelve Months Ending December 31, 2020

| | Current Month | Year to Date |
|--------------------------------|---------------|--------------|
| Revenues | | |
| Interest Income | \$ 146.05 | \$ 2,379.43 |
| Water Revenue | 84,342.28 | 1,138,516.96 |
| | <hr/> | <hr/> |
| Total Revenues | 84,488.33 | 1,140,896.39 |
| | <hr/> | <hr/> |
| Cost of Sales | | |
| | <hr/> | <hr/> |
| Total Cost of Sales | 0.00 | 0.00 |
| | <hr/> | <hr/> |
| Gross Profit | 84,488.33 | 1,140,896.39 |
| | <hr/> | <hr/> |
| Expenses | | |
| Wages Expense | 35,035.00 | 335,388.40 |
| Bank Service Fees | 7.50 | 1,138.65 |
| Employee Benefit Programs Exp | 1,078.11 | 5,492.30 |
| Payroll Tax Expense | 2,683.83 | 26,011.77 |
| CUSTOMER REPAIRS | 0.00 | 2,639.70 |
| Well Site Preservation | 0.00 | 5,235.76 |
| Shop Tools | 0.00 | 1,258.53 |
| System Maint. & Repairs Expens | 4,600.00 | 168,764.78 |
| Well Repair & Maint. Expense | 975.76 | 3,534.97 |
| Shop Supplies | 0.00 | 2,128.13 |
| Well Supplies-CI & Gen Dies | 47.61 | 6,082.46 |
| Shop Inventory | 2,559.99 | 42,690.93 |
| Building Maintenance | 0.00 | 7,582.62 |
| Lawn Care | 0.00 | 8,700.00 |
| METER TEST/BACKFLOW | 0.00 | 40.00 |
| B&LGEN PM MAINT | 825.00 | 3,300.00 |
| VEHICLES & HEAVY EQUIPMENT | 0.00 | 43.29 |
| Truck Maint Expense | 87.05 | 2,998.89 |
| Tractor Maint Expense | 78.75 | 3,978.34 |
| Trailer Maint Exp | 0.00 | 143.68 |
| GLO FLAME | 0.00 | 150.00 |
| Dean WSC Gasoline Exp | 260.76 | 4,084.24 |
| Dean WSC Diesel Exp | 0.00 | 460.63 |
| Employee Allowance & Expense | 448.34 | 2,859.11 |
| Trash Pickup | 143.86 | 1,087.43 |
| Computer Maint & IT Exp | 2,500.02 | 8,658.87 |
| Electricity Expense | 7,239.81 | 94,219.21 |
| Software Expenses | 0.00 | 6,040.76 |
| Credit Card Fee | 3.72 | 23.72 |
| Website | 0.00 | 472.45 |
| Compliance Supplies | 443.66 | 1,257.80 |
| OFFICE FURNITURE & EQUIPMENT | 691.14 | 3,331.99 |
| Office Supplies Expense | 658.30 | 7,871.27 |
| Cleaning Supplies | 63.76 | 676.63 |
| Kitchen Supplies | 24.90 | 413.04 |
| Lab Dues | 170.31 | 4,194.08 |
| Telephone Expense | 415.96 | 3,586.97 |
| Alarm Services | 59.54 | 1,058.94 |
| Answering Service-Tele One | 0.00 | 1,377.85 |
| LEXMARK CONTRACT SKILLERNS | 0.00 | 409.50 |
| Konica | 290.10 | 3,641.17 |
| CPI | 40.12 | 920.63 |
| Postage & Shipping | 0.00 | 8,159.32 |
| TCEQ FEES | 100.00 | 4,734.52 |
| Accounting & Legal Expenses | 0.00 | 11,308.75 |
| EASEMENTS | 130.00 | 1,941.26 |
| TRWA | 3,243.70 | 3,373.70 |

For Management Purposes Only

Dean Water Supply Corp.
Income Statement
For the Twelve Months Ending December 31, 2020

| | Current Month | Year to Date |
|---------------------------|---------------|---------------|
| ENGINEERS | 0.00 | 8,748.00 |
| Insurance Expense | 0.00 | 21,457.53 |
| Employee Health Insurance | 3,309.74 | 44,383.36 |
| Education Expense | 4,777.50 | 7,188.77 |
| Contributions | 200.00 | 300.00 |
| EMPLOYEE PD LIFE INS | 428.76 | 8,904.95 |
| Child Support Payable | (189.78) | (221.41) |
| Suspense Account | 196.12 | 7,473.26 |
| | <hr/> | <hr/> |
| Total Expenses | 73,628.94 | 901,701.50 |
| | <hr/> | <hr/> |
| Net Income | \$ 10,859.39 | \$ 239,194.89 |
| | <hr/> <hr/> | <hr/> <hr/> |

**RESOLUTION DECLARING UNOPPOSED CANDIDATES OF
DEAN WATER SUPPLY CORPORATION ELECTED**

WHEREAS, Dean Water Supply Corporation posted notice of the opportunity for candidates to submit applications to run for 3 positions on its Board of Directors pursuant to Texas Water Code Section 67.0052(b); and

WHEREAS, only 3 people submitted applications for these open positions, thus creating an unopposed election for each position pursuant to Texas Water Code Section 67.0055;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF DEAN WATER SUPPLY CORPORATION DECLARES ELECTED TO THESE POSITIONS:

Bonnie Brooks
Roger Goodsell
Hayden Moore

The Board of Directors so orders that this resolution be posted at the Corporation's main office and read into the record at the Corporation's annual meeting, pursuant to Texas Water Code Section 67.0055.

PASSED AND APPROVED this 13th day of April 2021.

ATTEST:

President, Board of Directors
Dean Water Supply Corporation

Secretary, Board of Directors
Dean Water Supply Corporation