

NOTICE

**NOTICE IS HEREBY GIVEN OF THE CALLED MEETING OF THE
BOARD OF DIRECTORS OF THE SOUTHWEST SANDHILLS WATER
SUPPLY CORP.**

MEETING TO BE HELD

April 21, 2026

5:30 P.M.

Corporate Office

3911 S. Faye

Agenda

1. Call to Order.
2. Citizens Forum.
 - a. Presentation by Citizens to be Heard.
3. Approve Minutes.
4. Financial Report.
5. Elect Officers.
6. Other Business from the Floor.
7. Adjourn to Executive Session, if Necessary.

**Carla Franco
Office Manager**

Southwest Sandhills Water Supply Corporation
February 24, 2026

The regular meeting of the Southwest Sandhills Water Supply Corporation was held at the Southwest Sandhills Water Supply Corporation office at 3911 S Faye Street, Monahans, Texas. Those present were:

Terry Melius
Loredia Potts
Kay Swan
Cathy Anthony

Becky Jordan
Jeff Burdic
Carla Franco

Terry Melius called the meeting to order at 4:04 pm and there were no citizens present to be heard.

Motion to approve the minutes of December 30, 2025, meeting was made by Jeff Burdic with the second being made by Becky Jordan. Motion carried. We went over the financial report and found everything to be in order.

Kay Swan discussed replacing USDA with CoBank and a few other changes and/or additions to the Bylaws. There were no changes or updates discussed on current Tariff at this time.

Election procedures Nominating committee are as follows: Loredia Potts, Cathy Anthony and Jeff Burdic; Credentials committee: Loredia Potts, Becky Jordan and Kay Swan and lastly Election auditor: Jeff Burdic.

Carla Franco stated 219 compliance notices were sent out at the end of last year and only 10 of those were sent a final notice due to no response mid-February.

Randy Crabtree had justifiable cause acceptable by the Board for his absence.

Carla Franco assured verification of 6-, 9- or 12-month CD rates at a later date.

Meeting adjourned at 5:38 pm.

Terry Melius, President

Loredia Potts, Secretary

3/1/2026

8:32:27AM

Reprinted for:

2/28/2026

Directors Report

Southwest Sandhills WSC

Water Pumped This Month	8,143,799 Gallons
Water Sold This Month	9,123,800 Gallons
Water Used for Fire and Flushing Line	29,450 Gallons
Water Loss	-1,009,451 Gallons
Water Loss (%)	-12.40 %

	Amount (\$)	# Of Accounts
Total Water	118,416.60	878
Total Late Charge	2,260.00	143
Total Reconnect Fee	400.00	8
Total Adjustments	682.22	10
Total Regulatory Fee	592.38	878
Total Current Charges	122,351.20	881
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Amount Past Due 1-30 Days	3,236.57	36
Amount Past Due 31-60 Days	4,382.39	15
Amount Past Due Over 60 Days	23,006.81	42
Amount Of Overpayments/Prepayments	(105,955.21)	784
Total Receivables	47,021.76	209

Total Receipts On Account	117,800.58	797
Net Change in Memberships	0.00	4
Amount of All Memberships	153,300.00	1,021
Amount of All Deposit 2	8,750.00	59
Turned Off Accounts (Amount Owed)	8,886.09	157
Collection Accounts (Amount Owed)	0.00	23
Number Of Unread (Turned On) Meters		2
Average Usage For Active Meters	9,301	981
Average Water Charge For Active Meters	134.87	878

Usage Groups	Gallons	# Of Accounts	Usage Gallons	% Of Usage	% Of Sales
Over 50,000		36	4,127,000	45.23	34.61
40,001-50,000		6	255,100	2.80	2.28
30,001-40,000		10	344,300	3.77	2.85
20,001-30,000		16	393,800	4.32	3.36
10,001-20,000		102	1,370,300	15.02	13.41
8,001-10,000		58	525,000	5.75	5.44
6,001-8,000		87	610,000	6.69	6.87
4,001-6,000		137	682,700	7.48	9.09
2,001-4,000		204	617,100	6.76	11.44
1-2,000		175	198,500	2.18	8.43
Zero Usage		150	0	0.00	2.23
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Total Meters		981	9,123,800	100.00	100.00

3/1/2026

8:32:27AM

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2/28/2026

Directors Report

Southwest Sandhills WSC

Monthly Reconciliation

Ending Receivables (Last Month)		42,471.14
Sales this Month	+	121,668.98
Adjustments this Month		682.22
Less Payments this Month	-	<u>117,800.58</u>
	=	47,021.76
Total Receivables		47,021.76
Ending Memberships (Last Month)		162,050.00
Changes this Month		<u>0.00</u>
	=	162,050.00
Total Memberships		162,050.00

4/1/2026

8:48:13AM

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3/31/2026

Directors Report

Southwest Sandhills WSC

Water Pumped This Month	9,585,409 Gallons
Water Sold This Month	6,429,000 Gallons
Water Used for Fire and Flushing Line	25,900 Gallons
Water Loss	3,130,509 Gallons
Water Loss (%)	32.66 %

	Amount (\$)	# Of Accounts
Total Water	95,198.10	883
Total Late Charge	2,450.00	152
Total Reconnect Fee	100.00	2
Total Adjustments	738.62	12
Total Regulatory Fee	475.64	882
Total Current Charges	98,962.36	885
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Amount Past Due 1-30 Days	3,250.20	27
Amount Past Due 31-60 Days	1,382.93	14
Amount Past Due Over 60 Days	25,048.30	42
Amount Of Overpayments/Prepayments	(93,479.28)	814
Total Receivables	35,164.51	196

Total Receipts On Account	110,819.61	825
Net Change in Memberships	450.00	4
Amount of All Memberships	153,750.00	1,024
Amount of All Deposit 2	8,750.00	59
Turned Off Accounts (Amount Owed)	9,221.43	158
Collection Accounts (Amount Owed)	0.00	23
Number Of Unread (Turned On) Meters		1
Average Usage For Active Meters	6,540	983
Average Water Charge For Active Meters	107.81	883

Usage Groups	Gallons	# Of Accounts	Usage Gallons	% Of Usage	% Of Sales
Over 50,000		25	2,213,600	34.43	22.78
40,001-50,000		2	89,300	1.39	0.94
30,001-40,000		6	211,900	3.30	2.54
20,001-30,000		20	495,000	7.70	5.94
10,001-20,000		62	827,800	12.88	10.06
8,001-10,000		39	356,900	5.55	4.74
6,001-8,000		81	557,500	8.67	8.02
4,001-6,000		143	708,700	11.02	12.26
2,001-4,000		239	728,800	11.34	16.52
1-2,000		212	239,500	3.73	13.07
Zero Usage		154	0	0.00	3.13
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Total Meters		983	6,429,000	100.00	100.00

4/1/2026

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Reprinted for:

3/31/2026

Directors Report

Southwest Sandhills WSC

Monthly Reconciliation

Ending Receivables (Last Month)		47,021.76
Sales this Month	+	98,223.74
Adjustments this Month		738.62
Less Payments this Month	-	<u>110,819.61</u>
	=	35,164.51
Total Receivables		35,164.51
Ending Memberships (Last Month)		162,050.00
Changes this Month		<u>450.00</u>
	=	162,500.00
Total Memberships		162,500.00

SOUTHWEST SANDHILLS WATER SUPPLY CORP.

04/13/26

Profit & Loss

Accrual Basis

February 2026

	<u>Feb 26</u>
Ordinary Income/Expense	
Income	
4300 · WATER RECEIPTS	111,035.54
4305 · IMPACT FEE REVENUE	2,400.00
4310 · Misc.Fees,i.e. Late	3,779.79
4315 · REVENUE & REGULATORY FEE	561.38
4320 · INSTALLATION FEE	5,455.00
4325 · RECONNECT FEE	350.00
4330 · INTEREST INCOME	3,129.30
4350 · MISCELLANEOUS INCOME	300.00
	<u>127,011.01</u>
Total Income	<u>127,011.01</u>
Gross Profit	127,011.01
Expense	
6000 · UTILITIES	239.65
6005 · Lab Services	50.00
6010 · WATER	32,901.54
6040 · OFFICE EXPENSE	675.38
6075 · BANK CHARGES	10.00
6100 · EDUCATION EXPENSE	364.75
6165 · Employee Insurance Benefits	2,191.95
6210 · OPERATING EXPENSE	7,184.54
6560 · PAYROLL TAXES	30,269.30
6565 · TRUCK	1,135.33
	<u>75,022.44</u>
Total Expense	<u>75,022.44</u>
Net Ordinary Income	<u>51,988.57</u>
Net Income	<u><u>51,988.57</u></u>

SOUTHWEST SANDHILLS WATER SUPPLY CORP.

Balance Sheet

As of February 28, 2026

	<u>Feb 28, 26</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · CHECKING ACCOUNT	1,144,530.85
1015 · Debit Card Account	2,635.98
1037 · Tejas Bank - Account 1	1,462.01
10371 · ICS Account 1	1,058,415.03
1038 · Tejas Bank	1,234.94
1041 · Tejas Bank - Reserve	1,101.02
10411 · ICS Restricted Reserve	240,125.97
1042 · Tejas Bank - Escrow	1,101.02
10421 · ICS Escrow Reserve	37,911.24
1043 · Pratronage Account	25.00
1045 · American Momentum Bank	100,000.00
2105 · Accrued Interest Pay	-4,076.00
Total Checking/Savings	<u>2,584,467.06</u>
Accounts Receivable	
2305 · Allowance for Doubtful Accts	-8,220.00
Total Accounts Receivable	<u>-8,220.00</u>
Other Current Assets	
2300 · ACCOUNTS RECEIVABLE	90,959.00
Total Other Current Assets	<u>90,959.00</u>
Total Current Assets	<u>2,667,206.06</u>
Fixed Assets	
1400 · LAND	5,074.75
1405 · OFFICE BUILDING	84,137.83
1410 · OFFICE EQUIP	-0.16
1415 · Vehicles	90,780.45
1420 · WATER SYSTEM	5,666,343.58
1430 · WATER TOWER	1,032,511.31
1440 · WATER TAP FEE	110,000.00
1480 · ACCUM DEPRECIATION	-3,686,765.89
1490 · ACCUM AMORTIZATION	-67,375.00
Total Fixed Assets	<u>3,234,706.87</u>
Other Assets	
1250 · Other Assets	39,408.03
Total Other Assets	<u>39,408.03</u>
TOTAL ASSETS	<u><u>5,941,320.96</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · ACCOUNTS PAYABLE	15,441.81
Total Accounts Payable	<u>15,441.81</u>
Other Current Liabilities	
2100 · PAYROLL LIABILITIES	704.87
2110 · C/P of Long Term Debt	82,154.19
2420 · Construction Deposit	-0.20
Total Other Current Liabilities	<u>82,858.86</u>
Total Current Liabilities	<u>98,300.67</u>
Long Term Liabilities	
2400 · MEMBERSHIP DEPOSITS	160,050.00
2410 · IMPACT FEE	-0.07

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SOUTHWEST SANDHILLS WATER SUPPLY CORP.

04/13/26

Balance Sheet

Accrual Basis

As of February 28, 2026

	<u>Feb 28, 26</u>
2500 · CURRENT PORTION - LOAN PAYABLE	-82,154.65
2503 · CoBank Promissory Note 349067	539,199.00
2505 · CoBank LOC 3258934	939,058.93
2506 · CoBank 3280547	1,366,367.45
2507 · CoBank 3369582	279,500.27
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Total Long Term Liabilities	3,202,020.93
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Total Liabilities	3,300,321.60
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Equity	
3900 · Retained Earnings	2,628,028.83
Net Income	12,970.53
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Total Equity	2,640,999.36
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TOTAL LIABILITIES & EQUITY	<u>5,941,320.96</u>

SOUTHWEST SANDHILLS WATER SUPPLY CORP.
Statement of Cash Flows
February 2026

	<u>Feb 26</u>
OPERATING ACTIVITIES	
Net Income	16,034.58
Adjustments to reconcile Net Income to net cash provided by operations:	
2000 · ACCOUNTS PAYABLE	11,348.44
2100 · PAYROLL LIABILITIES	705.10
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Net cash provided by Operating Activities	28,088.12
FINANCING ACTIVITIES	
2400 · MEMBERSHIP DEPOSITS	300.00
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Net cash provided by Financing Activities	300.00
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Net cash increase for period	28,388.12
Cash at beginning of period	2,556,078.94
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Cash at end of period	<u><u>2,584,467.06</u></u>

SOUTHWEST SANDHILLS WATER SUPPLY CORP.

04/13/26

Profit & Loss

Accrual Basis

March 2026

	<u>Mar 26</u>
Ordinary Income/Expense	
Income	
4300 · WATER RECEIPTS	102,511.67
4305 · IMPACT FEE REVENUE	1,200.00
4310 · Misc.Fees,i.e. Late	3,751.47
4315 · REVENUE & REGULATORY FEE	522.86
4320 · INSTALLATION FEE	2,550.00
4325 · RECONNECT FEE	150.00
4330 · INTEREST INCOME	3,318.99
4350 · MISCELLANEOUS INCOME	19,269.52
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Total Income	133,274.51
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Gross Profit	133,274.51
Expense	
6000 · UTILITIES	4,398.48
6005 · Lab Services	50.00
6010 · WATER	25,433.71
6030 · TELEPHONE EXPENSE	282.28
6040 · OFFICE EXPENSE	1,129.39
6075 · BANK CHARGES	20.00
6165 · Employee Insurance Benefits	2,743.63
6210 · OPERATING EXPENSE	12,353.26
6560 · PAYROLL TAXES	43,395.93
6565 · TRUCK	695.00
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Total Expense	90,501.68
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Net Ordinary Income	42,772.83
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Net Income	<u><u>42,772.83</u></u>

SOUTHWEST SANDHILLS WATER SUPPLY CORP.

04/13/26

Balance Sheet

Accrual Basis

As of March 31, 2026

	<u>Mar 31, 26</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · CHECKING ACCOUNT	1,148,805.90
1015 · Debit Card Account	3,432.89
1037 · Tejas Bank - Account 1	1,462.01
10371 · ICS Account 1	1,060,889.79
1038 · Tejas Bank	1,234.94
1041 · Tejas Bank - Reserve	1,101.02
10411 · ICS Restricted Reserve	240,687.40
1042 · Tejas Bank - Escrow	1,101.02
10421 · ICS Escrow Reserve	37,911.24
1043 · Pratronage Account	18,520.70
1045 · American Momentum Bank	100,000.00
2105 · Accrued Interest Pay	-4,076.00
Total Checking/Savings	<u>2,611,070.91</u>
Accounts Receivable	
2305 · Allowance for Doubtful Accts	-8,220.00
Total Accounts Receivable	<u>-8,220.00</u>
Other Current Assets	
2300 · ACCOUNTS RECEIVABLE	90,959.00
Total Other Current Assets	<u>90,959.00</u>
Total Current Assets	<u>2,693,809.91</u>
Fixed Assets	
1400 · LAND	5,074.75
1405 · OFFICE BUILDING	84,137.83
1410 · OFFICE EQUIP	-0.16
1415 · Vehicles	90,780.45
1420 · WATER SYSTEM	5,666,343.58
1430 · WATER TOWER	1,032,511.31
1440 · WATER TAP FEE	110,000.00
1480 · ACCUM DEPRECIATION	-3,686,765.89
1490 · ACCUM AMORTIZATION	-67,375.00
Total Fixed Assets	<u>3,234,706.87</u>
Other Assets	
1250 · Other Assets	39,408.03
Total Other Assets	<u>39,408.03</u>
TOTAL ASSETS	<u><u>5,967,924.81</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · ACCOUNTS PAYABLE	-219.77
Total Accounts Payable	<u>-219.77</u>
Other Current Liabilities	
2100 · PAYROLL LIABILITIES	47.47
2110 · C/P of Long Term Debt	82,154.19
2420 · Construction Deposit	-0.20
Total Other Current Liabilities	<u>82,201.46</u>
Total Current Liabilities	<u>81,981.69</u>
Long Term Liabilities	
2400 · MEMBERSHIP DEPOSITS	160,200.00
2410 · IMPACT FEE	-0.07

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SOUTHWEST SANDHILLS WATER SUPPLY CORP.

04/13/26

Balance Sheet

Accrual Basis

As of March 31, 2026

	<u>Mar 31, 26</u>
2500 · CURRENT PORTION - LOAN PAYABLE	-82,154.65
2503 · CoBank Promissory Note 349067	539,199.00
2505 · CoBank LOC 3258934	939,058.93
2506 · CoBank 3280547	1,366,367.45
2507 · CoBank 3369582	279,500.27
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Total Long Term Liabilities	3,202,170.93
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Total Liabilities	3,284,152.62
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Equity	
3900 · Retained Earnings	2,628,028.83
Net Income	55,743.36
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Total Equity	2,683,772.19
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TOTAL LIABILITIES & EQUITY	<u>5,967,924.81</u>

SOUTHWEST SANDHILLS WATER SUPPLY CORP.
Statement of Cash Flows
March 2026

	<u>Mar 26</u>
OPERATING ACTIVITIES	
Net Income	42,772.83
Adjustments to reconcile Net Income to net cash provided by operations:	
2000 · ACCOUNTS PAYABLE	-15,661.58
2100 · PAYROLL LIABILITIES	-657.40
	<u>26,453.85</u>
Net cash provided by Operating Activities	26,453.85
FINANCING ACTIVITIES	
2400 · MEMBERSHIP DEPOSITS	150.00
	<u>150.00</u>
Net cash provided by Financing Activities	150.00
Net cash increase for period	26,603.85
Cash at beginning of period	<u>2,584,467.06</u>
Cash at end of period	<u><u>2,611,070.91</u></u>