ARMSTRONG BOARD OF DIRECTORS' MEETING
OCTOBER 6, 2026
BOARD OF DIRECTORS

Jerry Hawthorne-President
CELL: 254-947-5140

Bill Wheeler-V. President
HM: 254- 493-8637

Tom Vitek – Sec'y-Treas.
CELL: 254-346-9545

Jimmy Callahan
CELL: 254-541-0206

Doug Severson
CELL: 254-760-0052

EMPLOYEES

Billy J. Smith – Manager
Cell: 254-721-6505

Paula Weir – Office Secretary
Cell: 254-760-1997

Glenda Liles – Office Clerk
Cell: 254-657-2272

Board Attendance

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Jerry Hawthorne	+	+	+	+	+	+	+	+	+	+		
Bill Wheeler	+	+	+	+	+	+	+	+	X	+		
Tom Vitek	+	+	+	+	+	+	+	+	+	+		
Jimmy Callahan	x	+	+	+	+	+	+	+	+	+		
Doug Severson							+	+	+	+		
Robert Gaines - CPA	+	x	x	+	+	+	x	+	+	+		

(+) present (x) absent (-) excused

1. Open Discussion with Members and Guests: James Smith with TRWA, Employee Scout Oldham, Ginger Tolbert, Josha Welch, Joe Gonzalez

Joshua Welch – Armstrong has about 100 ft of CCN that goes in front of this property. The City of Belton will supply the water to the subdivision. The City of Belton is requesting that I could get something from y'all, just saying that y'all don't have any opposition to what our preliminary plat has on it. All the meters are going to be in Belton's CCN. The City of Belton is requesting a letter from Armstrong WSC stating that Armstrong WSC will not oppose anything

Jose Gonzales with Elm Grove Project – I just bring a copy for reference, but this is a report that we got from Ginger about our request to have three commercial meters and an irrigation meter for the property at Capital Ways and Elm Grove. Part of the study showed that there would be a portion that needed to be upsized from the pump station up to the intersection with Capital and Elm Grove intersect. As you guys know, the Amazon facility has been constructed in that portion and there was like a seizing agreement back in the day for that area. And so as part of that, a portion of that line has already been upsized. For reference, I have someone go ahead on to you, but basically what we're showing here is where the tank's located. We picked up the line

from the tank, upsized it to a six inch already all the way through the private drive interception. And so ultimately with this request, what we would be asking is that we pick up the upsizing of that line that has already been upsized to a six-inch. There's just a small section that needs to be completed for that as part of the recommendation. Our request is just a little bit of coordination and clarification. We would like to see, I think the report states the anticipated fee and kind of procedure for the cost to upsize that line. As part of the project, we're already doing industrial development, so we would like to see if it would be acceptable for our engineering firm to complete the plans for the upsizing starting at the reducer up to the limits of the extension as well as if the contractor that's going to be building the industrial development be able to complete that portion of that increase of the bottom line.

Jerry Hawthorne – I guess the first thing to address is that is Armstrong able to provide water for fire suppression demands, or should we request that from the City of Belton? One, we do not, we cannot provide that. So from the standpoint of you getting fire suppression, you would need to get it from the City of Belton, and we want to confirm that Armstrong is fine with that approach. Number 2, would Armstrong be agreeable to allow a CCN transfer for this site to the City of Belton, and if so, what would be the proposed fee? On this particular project, I think the board is going to keep it in our CCN, and we want to provide the water.

Jose Gonzalez – And I think from the client's approach, that option was only required if Armstrong was not necessarily available to provide fire. But if Armstrong is fine with fire water coming from the city of Belton, I think we're more than happy to kind of continue with the path we're going of increasing the water size line and getting service for irrigation and commercial service.

Jerry Hawthorne – I guess is it acceptable for the design of the water line upsizing to be completed as part of the project scope and permitted with the city in the same plan set?
We would coordinate design with and review with Armstrong and then is it acceptable for the on-site contractor to perform the waterline upsizing as part of their project scope?
I talked to Ginger about this when I saw the e-mail and had her look it over and Ginger, you can correct me, but I believe Ginger felt like it would be best to be managed properly, if we allow them to incorporate it in their contract, as long as it meets Ginger's and Armstrong's guidelines, then let that be part of their contract that they submit to whomever we work with and I have no problem with that.

Jose Gonzalez – Last question, you know, similar approach to kind of how we did this, we would create an engineering plan that states where we're picking it up, what material depths and kind of create an as built of what improvements we're doing. Is there an official process that we have to go with Armstrong to get that approved? Meaning, is there like a board approval?

Jerry Hawthorne – Well, it would have to be, whatever your design would be, would have to be worked with KPA. Y'all would have to coordinate and then if KPA approves it and it meets Armstrong's guidelines, then the board would have to approve it. I think I'm correct there.

Ginger Tolbert KPA Engineer – Yeah, I mean, basically the requirement is extension of the six-inch. So yes, I mean, you're correct. This, whether or not this is the as built, I mean, it's definitely the plan sheet that I've seen. And so, connection to that existing and extension from there so that it's continuous 6-inch. Normal BBC C900 at normal buried depth.

Jose Gonzalez – Thank you so much. So ultimately, we'll prepare a similar plan sheet to this, stamp it, provide it for your review. Once your review is deemed acceptable, then it gets added into a board hearing like today, but ultimately that gets approved.

Ginger Tolbert – Correct. And I would say you may want to consider, and I don't know, have you already platted the property?

Jose Gonzalez – We're in the process of that. I had one question about that.

Ginger Tolbert – Yeah, because you're going to want a dedicated easement.

Jose Gonzalez – Okay, so we've been coordinating with the city. That was one of the other questions I had. They've asked that we dedicate an easement, a 10-foot easement to encompass the improvements that we're going to do. We're happy to provide it. The question then becomes, we haven't finalized the plat, so we have an opportunity to dedicate the easement to plat. However, another standard method of doing it is just a separate instrument.
Does Armstrong have any preferences on whether we get to dedicate that easement to the planning process or does it need to be through separate instruments?

Ginger Tolbert – So my comment is going to be the mechanism by which you dedicate it doesn't matter, but I can tell you that depending on its location, 10 foot may be insufficient. So, in this instance, it was 10 foot, but it was also adjacent to the Central Texas water supply line. And so we need to see your layout and what's adjacent to make sure there's appropriate space for maintenance.

Jose Gonzalez – Yeah, certainly. Okay, we're happy to do that. The central Texas water supply line was relocated to then make a right turn as opposed to parallel. But the new alignment has a lot more space adjacent to it. So tomorrow I'll put together an exhibit that shows what the proposed easement is. So you get an opportunity to vet it before we propose any.

Ginger Tolbert – And to be clear, it will be dedicated to Armstrong Water Supply. It is not shared, it is not public, and it will be the board's discretion if 10 foot is sufficient. I'm not sure that it is. We need to see the entire plotted area and make sure that it considers the new line and the existing infrastructure.

Jose Gonzalez – Yeah, we're happy to do that. We'll provide the plat as it is, as well as a site plan to show any site constraints that might need to be taken into consideration.

Jerry Hawthorne – So Jose, quick question on this engineering study that Ginger did for you, for us. I guess your proposal is going to be all of this is to be included in your contract. Is that correct?

Jose Gonzalez – Yes, that is correct

Tom Vitek – Meaning there's no cost too Armstrong and what about the fees that will incur with Ginger for her study yeah.

Jose Gonzalez – Those have been paid.

Tom Vitek – For the coordination of the of the plans and the easement and all of that.

Ginger Tolbert – correct me if I'm wrong probably that was quoted lump sum and there's not money sitting, they didn't do an escrow deal. Typically, we send you a breakdown per development, if you will, by the hour. And so depending on the order of magnitude, the board has decided whether or not they require money to be in escrow up front or to pass along that bill so that is up to y'all.

Jerry Hawthorne – What we've typically done there at the past Jose is that on a development like this we've worked we let Ginger recommend to us as a board or to Armstrong and we do require X amount of money to be put in an escrow account that will cover any legal or any engineering studies that may be required. So, we would expect whatever a dollar amount that Ginger comes up with, that for y'all to put that in an escrow cap before we go forward with anything.

Ginger Tolbert – Yeah, and anything we do is billed to a corporation by the hour. I can't imagine this taking more than 8 hours total intermittently.

Jerry Hawthorne – So if we put X amount of dollars in and we don't utilize it, you'll be refunded the money.

Jose Gonzalez – I think that sounds standard and appropriate to go about. Okay, and so just to kind of walk through the steps a little bit, so we'll prepare for the engineering, ultimately, we'll go to Ginger. Once that gets approved, it'll be scheduled for a board hearing. Ultimately, that gets approved and it can go into construction. What are the next steps to then get a meter and a tap to be able to service these meters, the site?

Jerry Hawthorne – Well, the upgrades would have to be done correct, Ginger? I mean, for them to be able to, I mean, all of the upgrades based on her engineering study would have to be completed. And then once they're completed at that time, I guess they could, we could provide a meter.

Ginger Tolbert – Yeah, and I would recommend that when you're installing the line, go ahead and wherever your meter location is preferred, that be the tap be installed, that can be a test location and then converted for the service line.

Tom Vitek – So this is going to fall as a non-standard service agreement. So we'll need to execute or go through the steps to have that executed as a non-standard service agreement. So there's an application. If you, Paula, if you can get all that information to Jose from the tariff and the application form. It will have all the steps.

Jose Gonzalez – Is there any meter fees that we need to pay up front?

Jerry Hawthorne – yes and we will be discussing our increase in meter cost tonight.

Jose Gonzalez – we will be requesting a 1-inch meter or maybe a 1-1/2-inch meter. I'll confirm this

Tom Vitek – I thought we figured on 5/8-inch meter.

Ginger Tobert – I'm using a flow rate. The meter size doesn't matter because I'm using the flow. I'm assuming their reported flow rate is accurate.

Jerry Hawthorne – let's just kind of go over, make sure we're all on the same page. You're going to do whatever you have got to do with the plating and easements and all of that and work with Ginger on that. And when Ginger's comfortable with it, then I guess it'll be brought back to the board and then we'll approve it. And then at a point in time then, I guess you'll go with the construction on the project with all the upgrades that Ginger has required that you do to meet her engineering study. Then once that's complete, then you can come in and apply for a meter and then we can approve a meter for you in the tap. Is that the steps that we've got to go through here?

Jose Gonzalez – When we start construction, are y'all going to want to have y'all's own inspection crew out.

Jerry Hawthorne – Yes, we would, either Billy or Ginger will come out and do the inspections.

Scout Oldham – I'm over there every day too, so I mean, I'm going to, I'll have eyes on it all the time.

Jose Gonzalez –I just don't want to cover anything up and have to dig it back up.

Tom Vitek – When do you think construction will start?

Jose Gonzalez – I would say around February probably of next year. We're targeting at submittal to the city at the end of the month, this month. allowing them a couple of months to go through some permitting, making sure we get the plat process right, all the recordings finalized, then it would start construction and start processing that meter with you guys.

Jerry Hawthorne – I would guess, just like we've done in the past, any technical questions for the engineering questions, just work directly with KPA, keep Billy attuned to what's going on. So that's going to be our guideline is going to be Ginger with KPA.

Jose Gonzalez – I mean, that answers, I think, the three biggest questions for us can fire service be provided to from City of Belton, which I think would kind of answer to that. If the sign could be completed by us with the help of Ginger, and then if that work could be conducted by their contractor.

2. Discussion and approval of minutes of last meeting: Motion was made by Bill Wheeler and seconded by Jimmy Callahan to approve the minutes of the September 1, 2026, meeting.

All in favor - Yes

3. New Customers & Transfers:

New Customers: Debora McQueen

Transfers: Douglas Waskow to Justin Roberts
Teresa Baker to Larry Dean Beck, Sr
BW Homes to William Hudso
Evangeline Trayler to Larry Matl
Brook Carlson to Jason White

4. Billy – we have put in 30 meters in on Armstrong out of the 50 we had; extend line at the Elm Grove Baptist Church for someone who is selling some property; a customer paid to have his meter moved; We're also going to, over on Curry Loop, Oncor is doing a substation and they want us to encase our line which will be about 100ft. We're going to lower and encase it. Oncor will reimburse us for this. I am waiting for bids from Patrick Kallus and Randy Frie.
And the water loss, Frito-Lay was the worst one. Going by percentage, we had 932,000 per gallon of water loss and flushed in August. We had four leaks over there at Frito-Lay.
Next month I will let Scout be the acting Manager. I will be retiring in February 2027, so I'm going to get him a custom to coming to the meetings.

Jerry Hawthorne - What I suggest to Billy is that like tonight we get scouts start coming to the meetings so he can address us, see how we operate, and then I think Billy feels Scout has been trained enough that he can eventually walk in and when Billy decides to retire to be able to take over and we can make, we'll make that decision when the time comes in to give Scout a chance to start coming in.

Jimmy Callahan - I just have a couple of questions. Does Scout have all the testing he needs and is he certified to do this job. Billy stated Scout has all of certifications.

Jerry Harthorne stated that this does bring up another situation. We need to go ahead and discuss that knowing that Billy's going to be retiring, and if he goes to retire in February, that's not very far away. And if we're going to promote Scout into that position, that means that we're going to have an opening to fill him. I think we need to go and start pursuing and someone to be hired now to take that position. Scout stated that he has found someone that already has a Class C Surface Water and would need to get his ground water license. Need to run a ad in the Temple Dailey Telegram newspaper for the job opening.

5. Office Manager's Report – No Report

6. Cen-Tex Report – No Report

7. Secretary-Treasurer's Report – Motion was made by Tom Vitek and seconded by Bill Wheeler to approve Secretary-Treasurer's report. All in favor - Yes

8. Approval of Bills: Motion was made by Tom Vitek and seconded by Bill Wheel to approve bills. All in favor - Yes

9. OLD BUSINESS:

A. Discussion and possible action – Water rate increase – After a lengthy discussion a motion was made by Tom Vitek and seconded by Jimmy Callahan to raise the Meter Cost as follows:

	Membership	$ 564.00
	Tap Fees	$3,436.00
	Equity Buy In	$1,700.00
	Plumbing Fee (CSI)	$ 300.00
		$6,000.00

All in favor – Yes

A second motion was made by Tom Vitek and seconded by Doug Severson to raise the following fees:

Late Fee	$30.00
Return Check Fee	$35.00
Reconnect Fee	$300.00
Trip Fee	$150.00
Additional Hours	$100.00 per employee
Test Fee	$250.00
Transfer Fee	$100.00
CSI	$250.00

This to take effect in December 2026. All in favor - Yes

B. Discussion and possible action – Refund Mike Roasa for two (2) meter out of the eight (8) he bought – After a lengthy discussion a motion was made by Tom Vitek and seconded by Billy Wheeler to refund Mike Roasa for two (2) of his meters at $4,300 each making the refund $8,600.00. All in favor – Yes

C. Discussion and possible action – Update on the cost to upgrade water system on 436 and Black Coach. Motion was made by Tom Vitek and seconded by Doug Severson to table till next until the November 3, 2026 meeting.

10: NEW BUSINESS –

A. Discussion and possible action – Property at Elm Grove Rd and Capital Way – Jose Gonzalez – After a lengthy discussion no action was taken at this time. Mr. Gonzalez will provide the plat as well as a site plan to show any site constraints that might need to be taken into consideration.

B. Discussion and possible action – Property located on North side of 436 – Joshua Welch A motion was made by Tom Vitek and seconded by Jimmy Callahan for Armstrong to draft a letter to say that we have no objection to Belton supplying the subdivision. All in Favor – Yes – Motion carries

C. Discussion and possible action – Engagement Letter with Pattillo Brown & Hill for Audit Ending Sept. 30, 2026. A Motion was made by Doug Severson and seconded by Tom Vitek to hire Pattillo Brown & Hill to do the Audit Ending Sept. 30, 2026. All in favor – Yes

D. Discussion and possible action – Review ballot & voting procedures for the Annual meeting. Motion was made by Tom Vitek and seconded by Jimmy Callahan to proceed as normal. All in favor - Yes

E. Discussion and possible action – Annual review of employees and possible action regarding raises. (see folder for employee date of hire and current salaries).

After review, the following raises were given:

Jason Chester - Raised from $21.00 to $22.00 per hour,
Once he gets his C licenses increases pay by $1.00 per hour
Scout Oldham - Raised from $27.00 to $29.00 per hour.
Billy Smith – No Raise – retiring in February 2027
Paula Weir – Salary – Increase pay by $2,500 to $50,340.00 per year

Paula was asked to have job description for each employee at next meeting in November 3, 2026.

Adjourn 9:45 pm

Respectfully submitted,

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Tom Vitek, Sec'y/Treasurer