

# 2026 Annual Meeting Agenda

## King Creek Water Supply Corporation

**Date:** Saturday, May 2, 2026 **Time:** 10:30 AM **Location:** King Creek WSC Well on CR1605, Clifton, TX

### I. Call to Order and Welcome

- Official opening of the **Annual Membership Meeting**.
- Verification of **quorum** (10% of membership represented in person or by proxy).

### II. Recognition of New Members

- A formal welcome to the community's newest members: **Jamey Parsons, Keren Cathey, Kevin Young, and Rheetah Pritchard**.

### III. 2025 Financial Performance Report

- **Summary of P&L:** Total Income of \$61,252.13 against Total Expenses of \$60,720.04.
- Review of **Net Income** (\$1,271.70) and the necessity of diligent oversight due to thin operating margins.

### IV. Board of Directors: The Three Pillars of Stewardship

- **Governance & Leadership:** Managing meetings and official records.
- **Fiduciary Duty:** Safeguarding funds and managing debt and reserves.
- **Legal Compliance:** Adhering to Texas law, including **TCEQ and PUC regulations**.

### V. The Future Crossroads: Options for King Creek WSC

- **Contrasting Options:** Evaluation of **Member Control** vs. **Selling the System** vs. the risk of **Abandonment/State Takeover**.
- **Prior Negotiations:** Briefing on why previous sale talks with **CSWR** were terminated to protect member interests.

### VI. Proposed Bylaw Amendments

- **Necessity for Change:** Aligning with **Texas HB1522** for meeting notices and resolving "irreconcilable language" regarding membership fees.
- **Summary of Changes:** Establishing the official website for notifications and confirming **refundable membership fees** per the Corporate Tariff.

# 2026 Annual Meeting Agenda

## King Creek Water Supply Corporation

- **Supremacy Clause:** Formally designating the **Corporate Tariff** as the superior document for all financial terms.

### VII. 2026 Board of Directors Election

- **Unopposed Candidates:** Voting for the **two (2) expiring seats** is not necessary. There were no opposing candidates for the Board seats therefore the current candidates will continue to serve for another term until 2029.

### VIII. Urgent Leadership Discussion: 2027 Outlook

- Addressing the **upcoming crisis** where three seats, including the **President** and **Secretary/Treasurer**, will become vacant.
- The critical need for new candidates to begin coaching and training now to ensure operational continuity.

### IX. Open Member Forum

- An opportunity for members to ask questions regarding **business operations**, the **future direction** of the corporation, and **legal responsibilities**.

### X. Election Results and Adjournment

- Announcement of voting results for the Bylaw amendments.
- Official closing of the Annual Membership meeting.

## Special Board Meeting Agenda

(held immediately after the close of the Membership meeting)

- Call to order
- Appoint officers
- Adjourn

*All items on the agenda are for discussion and/or action. The KCWSC Board reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.0761 (Critical Infrastructure Facility), 551.084 (Investigation), and 551.089 (Security Devices)*



# **KING CREEK WSC ANNUAL MEMBERSHIP MEETING**

Our Water, Our Choice: The Future is in Your Hands

Saturday, May 2, 2026 \ 10:30 AM  
Well Site (CR1605)

Official Notice & Invitation to Serve

# Recognizing Our Newest Members

A growing community means a stronger cooperative. We warmly welcome our newest neighbors who have recently joined the King Creek WSC network.



**Jamey  
Parsons**



**Keren  
Cathey**



**Kevin  
Young**



**Rheetah  
Pritchard**

# 2025 Financial & Operational Snapshot

Total Water Pumped

**3,204,590 Gallons**



Total Income

**\$61,252.13**



Total Expenses

**\$60,720.04**



Net Income

**\$1,271.70**

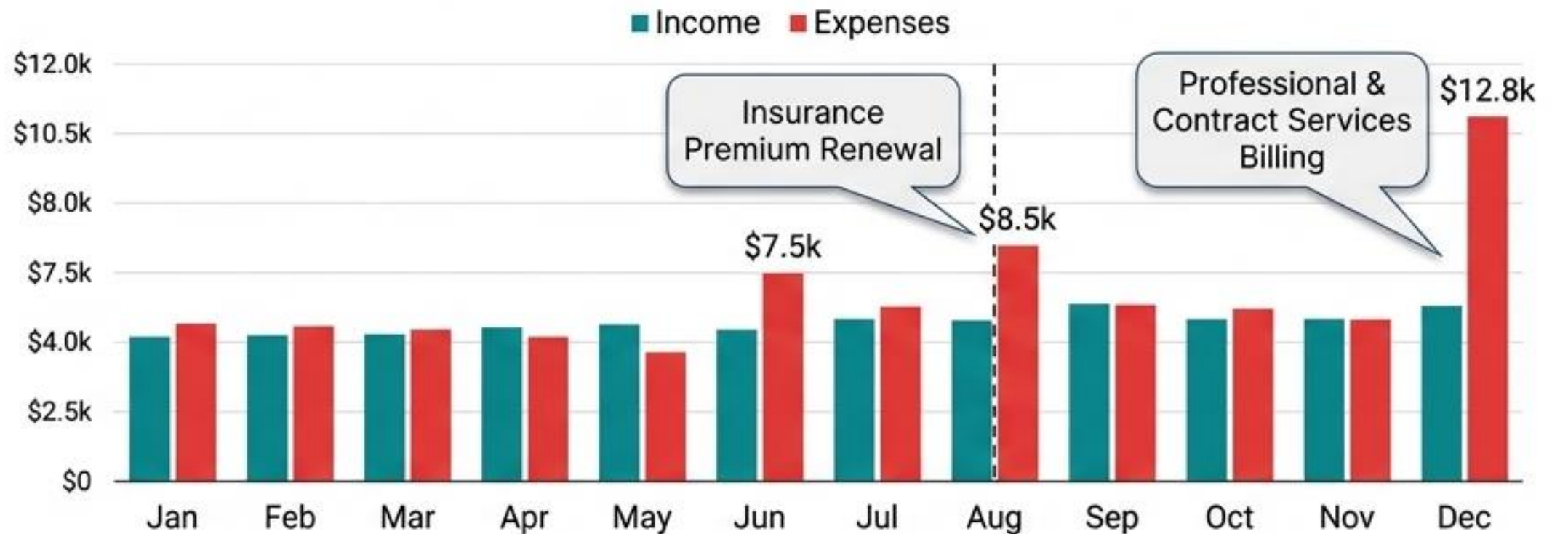
KCWSC successfully delivered over 3.2 million gallons of water this year, but we operate on exceptionally thin margins—requiring flawless financial oversight to remain solvent.

# The Cost of Reliability

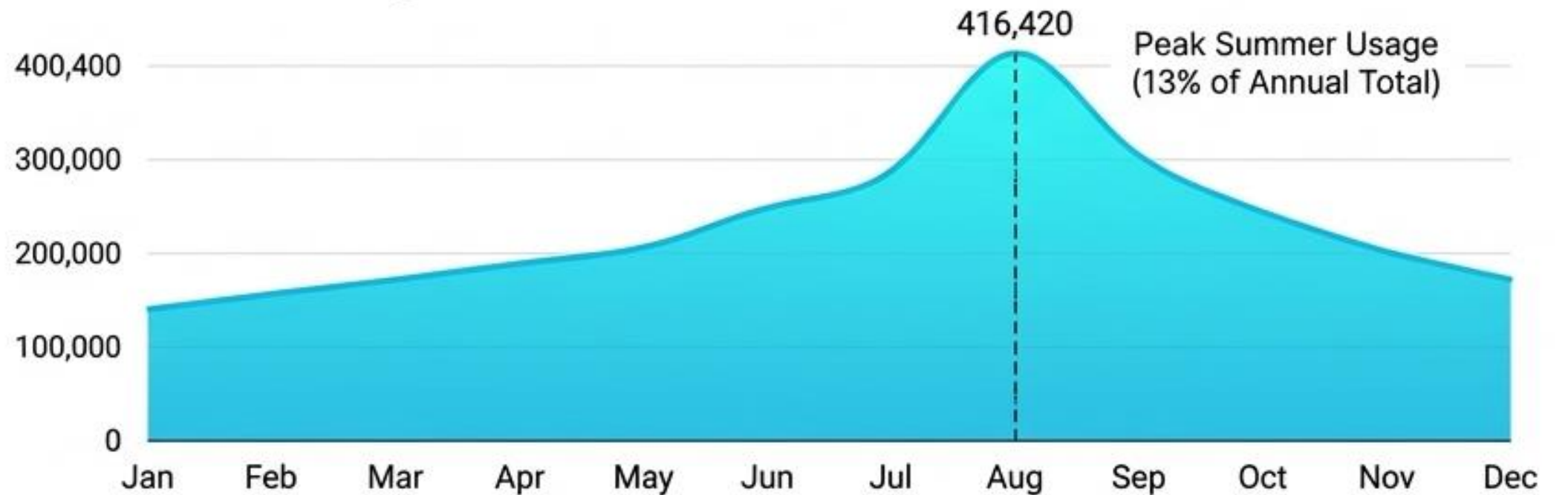
While baseline water sales are highly consistent, operation reality is volatile. Sudden spikes in mandatory expenses – such as \$5,304 in August for liability insurance and over \$14,000 across the year for professional services instantly erase our monthly operating margins.

What is not reflected in these charts and figures are the allocated expenditures to replace equipment of just under \$20,000 which was covered specifically by the \$15 / month service fee on each bill.

## 2025 Income vs. Expense Volatility



## 2025 Water Usage (Gallons)



# The Weight of Ownership: Your Volunteer Board



**Pillar 1: Governance & Leadership.**

Conducting open meetings, managing records, and directing operations.

**Pillar 2: Fiduciary Duty.**

Safeguarding the \$61k budget, managing debt, and legally protecting member reserves.

**Pillar 3: Legal Compliance.**

Strict adherence to Texas law, TCEQ regulations, and PUC mandates.

# The Crossroads: Options for Our Future

## Path 1: Continued Member Control

We run it ourselves. Keeps assets local but demands active volunteer leadership.

## Path 2: Professional Utility / Management

We sell the system. Transfers the legal and fiduciary burden to professionals.

*(Note: Prior negotiations with CSWR were formally terminated by the Board to protect member interests, but future sales remain an option).*

## Path 3: Abandonment & State Takeover

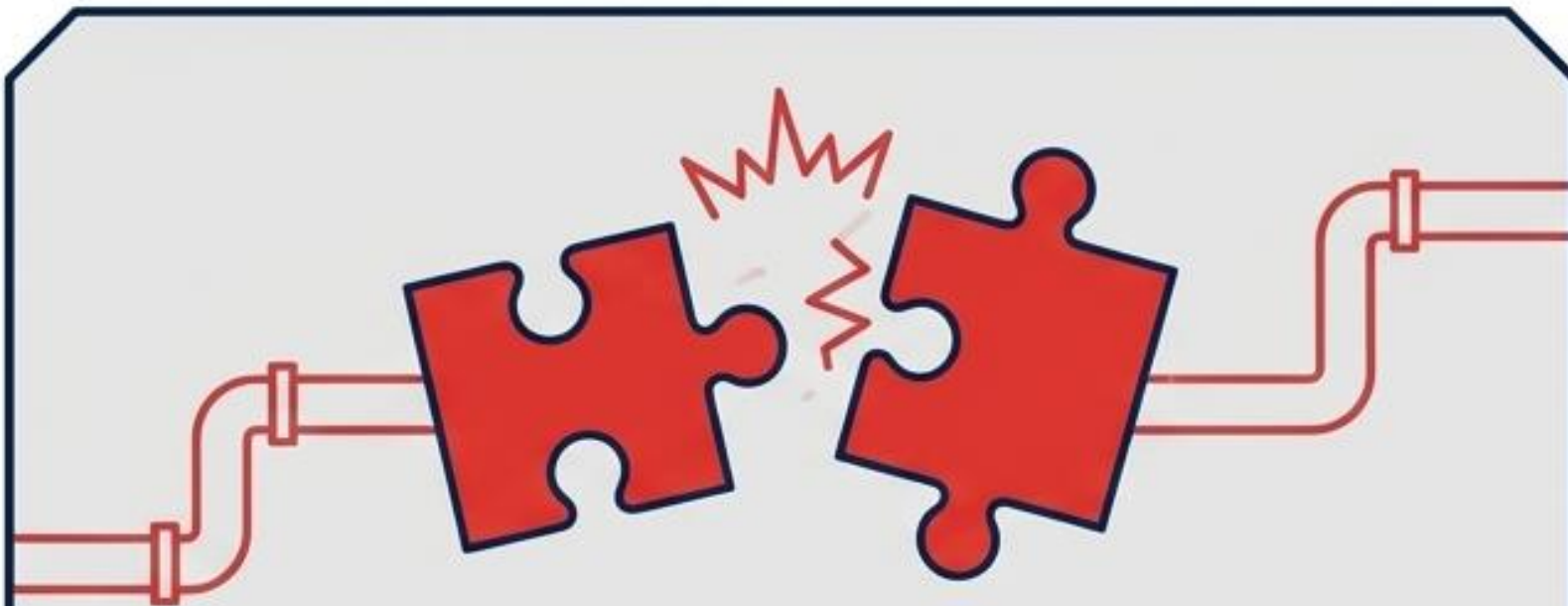
The last resort. If no Board is formed, the state takes over, resulting in total loss of local control and potentially higher assessed costs.

# Evaluating Our Paths Forward

Dimension	Member Control	Sell / Professional Mgmt	State Takeover
Who carries the legal risk?	Current Members ✓	Purchasing Utility ✓ (Local Board if Professional Mgmt)	The State ⚠
Who makes the rules?	Local Board ✓	Corporate Utility ⚠	State Appointees ✗
Active participation required?	High (Mandatory) ⚠	None ✓ (YES! if Professional Mgmt)	None ✗

Shifting the legal burden requires giving up local control. Maintaining local control requires dedicated volunteers

# Why We Must Update Our Bylaws Today



## The Conflict

**State Law Update:** Texas HB1522 changed how open meetings must be noticed.

**Internal Contradiction:** Our 2020 Water Service Agreement claims membership fees are non-refundable, but our official State Tariff legally dictates they are refundable.



## The Compliance Fix

To maintain our mandate of "Transparent Governance," we must vote today to eliminate these contradictions. Local rules cannot override state law or official tariffs.

# Summary of Proposed Bylaw Amendments



**Article V (Meetings):**  
Adopts the official KCWSC website as the primary platform for meeting notifications, ensuring compliance with the Texas Open Meetings Act (HB1522).

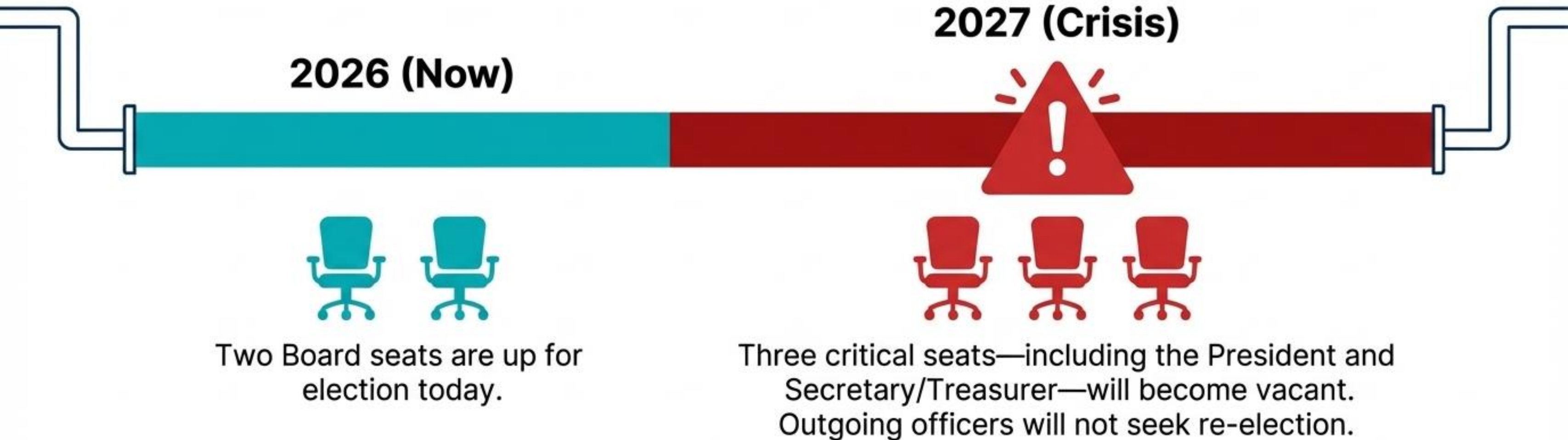


**Article VIII (Membership):**  
Corrects irreconcilable language by formally matching Tariff Section C.18: Membership fees are refundable upon termination of service.



**The Supremacy Clause:**  
Formally declares the Corporate Tariff as the ultimate, overriding authority on all financial terms, preventing future document conflicts.

# Urgent Leadership Needs for 2026-2027



We need members to step up now to be trained and coached by outgoing officers. Without a functioning board in 2027, we default to Path 3 (State Takeover).

# Casting Your Ballot & Next Steps

- Verification of the 10% Quorum (in-person & Proxy)
- Vote: Adoption of Bylaw Amendments.
- Open Member Forum (Q&A on operations, future direction, and legal duties).
- Lunch and Fellowship



**“Your involvement today ensures reliable water for generations to come.”**



## PROPOSED CHANGES TO THE KCWSC BY-LAWS

**Definitions – changes as noted.** Changes made to meeting notice and use of the website as the official means of notification are required to comply with Texas legislative session HB1522 (89<sup>th</sup> session of TX legislators) which changed the wording and intent within the Texas Open Meetings Act for meeting notices. The changes to the law were effective Sept 1, 2025. The Board of Directors adopted the wording change for immediate compliance and to present to the Membership for final approval at the 2026 Annual Membership meeting.

~~“Notice(s)” to Members, and Directors and Officers will be posted on Corporation’s Bulletin Board located on CR 1600.~~ “Notice(s)” to Members, and Directors and Officers will be posted on Corporation’s website, located at <HTTPS://WWW.KCWSC.COM>. This will include all notices of meetings, elections and other important information for the officers, directors, members and subscribers to the services of the corporation.

**ARTICLE I** – unchanged

**ARTICLE II** – unchanged

**ARTICLE III** – unchanged

**ARTICLE IV** – unchanged

**ARTICLE V** – changes as noted

- **Section 1 – changes as noted.** Compliance with HB1522

Section 1. Regular meetings of the Board of Directors will be held at such time and place as the Board may determine and give notice at least three (3) business days in advance. Special or Emergency Meetings will include telephone calls and posting of the time and place of the Special Meeting ~~on the Bulletin Board located on CR 1600~~ at least ~~seventy two (72) hours~~ one (1) hour prior to the scheduled time of the meeting. Such notice will specify the date, hour, place and subject of each meeting held by the Board of Directors.

- **Section 2 – no change**
- **Section 3 – no change**

**ARTICLE VI** – unchanged

**ARTICLE VII** – unchanged

**ARTICLE VIII** – changes as noted

- **Section 1 – no change**
- **Section 2 – changes as noted.** Changes to this section are required to remove the contradiction between the Bylaws and the Corporate Tariff on file with the TxPUC with regard to the refundability of the Membership Fee.

## PROPOSED CHANGES TO THE KCWSC BY-LAWS

Section 2. Payment of membership fee will entitle the Member one (1) connection to the system or entitle a transferee of Membership to continue to qualify for service to the existing connection to the system. The new Member will then be provided water service as provided in the Corporation's published rates, charges, and conditions of service. A person may own more than one Membership, however according to our Tariff by the State of Texas; each member will be entitled to only one vote regardless of the number of Memberships owned. In the event that a subscriber is required to provide a Membership Certificate to a lender, one will be provided in such form as will be determined by the Board of Directors. ~~Membership or Transfer Fees are not refundable.~~ Membership to KCWSC is required for each connection to the system. The membership fee is refundable upon termination of service and surrender of membership, per the terms of the Corporate Tariff Section C.18.

- **Section 3 – changes as noted.** Revised to declare the Corporate Tariff as the governing document controlling all financial terms.

Section 3. ~~The membership fee will be assessed according to the KCWSC Tariff. All financial terms of the membership, including fee amounts, deposits, and refundability, are governed exclusively by the Corporate Tariff.~~ The Membership fee may be revised by the Board of Directors as the Board may determine to be appropriate. In no event, however, will the Membership fee exceed an amount equal to the sum of twelve (12) charges of the Corporation's minimum monthly water rate.

**ARTICLE IX** – unchanged

**ARTICLE X** – unchanged

**ARTICLE XI** – unchanged

**ARTICLE XII** – unchanged

**ARTICLE XIII** – unchanged

**ARTICLE XIV** – unchanged

**ARTICLE XV** – unchanged

**ARTICLE XVI** – unchanged

**ARTICLE XVII** – unchanged

**ARTICLE XVIII** – unchanged

**ARTICLE XIX** – unchanged

**ARTICLE XX** – unchanged

**ARTICLE XXI** – unchanged

**ARTICLE XXII** – unchanged

# King Creek Water Supply Corporation

Please read carefully before assigning your proxy vote.

1. USE THIS FORM **ONLY** if you:
  - A. Are not voting by mail  
*(and)*
  - B. Are not able to attend the annual meeting in person
2. Only King Creek Water Supply Corporation members can vote in KCWSC elections and on KCWSC business items presented for vote.
3. KCWSC Bylaws provide any voting member the option to cast his or her ballot at any membership meeting either in person, by mail, or by proxy.
4. Proxy voting must follow these rules:
  - A. If you wish to assign another person vote on your behalf (by proxy) at the meeting, you must use this official form.
  - B. The proxy form must be dated and signed by the Member who is granting the proxy.
  - C. The designated proxy holder must be a member of KCWSC.
  - D. The proxy holder must present the proxy form for certification during voting check-in at the Membership meeting.
  - E. The proxy may be exercised only by the person appointed on the form.

Remember: If you cannot attend the meeting it is your obligation and privilege to vote by proxy.

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2026 Annual Membership Meeting Proxy Assignment	
I hereby appoint _____ (name of person) as my proxy to represent me at the <u>2026 King Creek WSC Annual Meeting</u> and to act in my stead, authorizing this person fully to do all things that I could or might do if personally present. I also authorize this person to do every act whatsoever necessary or proper to be done in or upon all matters that may lawfully come before said annual meeting or any adjournment thereof.	
Date: _____	Your Name: _____
(Please print name legibly)	
Your Signature: _____	

USE THIS FORM ONLY if you have not voted by mail and will not be attending the annual meeting in person.



# King Creek Water Supply Corporation

## 2026 Mail-In Ballot Form

Please refer to separate materials accompanying the ballot for the qualifications of each candidate.

Directions: You have three (3) options to cast your vote:

### 1. Vote by Mail (if unable to attend in person)

- Mark your selections by circling two (2) of the names listed below.
- Detach ballot and mail to:  
**KCWSC  
P.O. Box 60  
Clifton, TX 76634**
- Print your name and sign the backside of the envelope on the flap. This signed envelope will be used to validate your membership and establish a quorum. Envelopes will be opened and counted during the election at the meeting. **Your signature is required in order for your ballot to be counted.**
- Mailed ballots must be received by **May 1st** in order to be counted.

### 2. Vote in Person (at the Annual Meeting)

- The Annual Meeting will be held on Saturday, **May 2nd** at **10:30 AM** located at the King Creek WSC well **on CR1605**, Clifton, TX.
- This ballot will not be valid for voting in person at the Annual Meeting. A new ballot will be provided during registration at the meeting.

### 3. Assign a Proxy (to vote on your behalf)

- Complete the PROXY form (provided separately) only if unable to vote by mail or attend in person. The proxy form must be dated and signed by you to be valid.
- The designated proxy holder must be a member of KCWSC.
- The proxy holder must attend the meeting in-person and present the proxy form for certification during voting check-in at Membership meeting. The proxy may be exercised only by the person named on the form.

For voting assistance or questions, please contact KCWSC by email: [kingcreekwsc@gmail.com](mailto:kingcreekwsc@gmail.com)



**King Creek Water Supply Corporation**  
**Official 2026 Mail-In Ballot**  
**BOARD MEMBER ELECTION**

Current Boar Members whose terms are expiring: Craig Hoffman (Class II, Seat #3), Shauna Latham (Class II, Seat #4). The current expiring Board Members were unopposed. As such, the KCWSC Board of Directors, at the schedule Board Meeting on March 24th, 2026, passed a resolution declaring Craig Hoffman and Shauna Latham elected to serve another term.



**BYLAW AMENDMENTS**

Changes are necessary to the KCWSC Bylaws to remove and rectify conflicting terms and conditions with the Official Tariff on file with the Texas Public Utility Commission. See the supporting document for complete details.

Summary of amendments:

The proposed amendments to the KCWSC Bylaws update the Definitions and Article V to comply with Texas House Bill 1522, establishing the official website as the primary means for meeting notifications in accordance with the Texas Open Meetings Act. Additionally, the changes to Article VIII align the Bylaws with the Corporate Tariff filed with the Texas Public Utility Commission (TxPUC) regarding the refundability of membership fees and formally designate the Corporate Tariff as the governing document for all financial terms. These updates ensure the Corporation remains in legal compliance and eliminates internal contradictions between its governing documents.

***Vote by circling only ONE option below***

<b><u>Approve Bylaw Amendments</u></b>		
<b>YES</b>	 <b>VOTE</b> 	<b>NO</b>