KUSHLA WATER DISTRICT MEETING
BOARD OF DIRECTORS
June 30, 2026
Minutes

The 680th meeting of the Board of Directors of the Kushla Water District was held at 4:00 PM on Tuesday, June 30, 2026, at the Kushla Water District office, 6210 Highway 45, Eight Mile, Alabama.

CALL TO ORDER: The Chairman, William Andrews, called the meeting to order at 4:00 PM. Members present were Daryl Taylor, Jennie Reese, Erica Massey and Joshua Burch. Earl Hudson and Leland Nelson were not present at the board meeting. Non-Members present were Jo Ann Marquis, Wendy Smith, and Chad Hennis.

INVOCATION: was led by Jennie Reese.

ACKNOWLEDGEMENT OF VISITORS/REQUEST:
No visitors were present.

APPROVAL OF MINUTES: Chairman, William Andrews requested the Board review the minutes of the April 28, 2026, Board Meeting, as written. Joshua Burch made a motion to accept the minutes of the April 28 Board Meeting as written. Daryl Taylor seconded the motion, and the Board approved it. Chairman, William Andrews requested the Board review the minutes of the May 26, 2026, Board Meeting, as written. Jennie Reese made a motion to accept the minutes of the May 26 Board Meeting as written. Joshua Burch seconded the motion, and the Board approved it.

Web Report: The Web Report for June 2026 was given to each Board Member. There were no comments concerning the Web Report.

STANDING REPORTS:

Engineer (Jerry Luker): See Addendum -- Engineer's Report. Topics discussed –
Reported updates on the Mobile County ARPA Project --- ARP05 105-22 Work has begun on the 300,000-gallon water storage tank. The contract time started on January 5, 2026. To date Contractor has completed fabrication drawings with the steel tank components being fabricated and work for the tank foundation at site not expected to be completed until end of August.
William Andrews made a motion to approve Daryl Taylor to research available banks for loans to cover the shortfall after the ARPA grant funds were used for the project. Jennie Reese seconded the motion, and the Board approved of it.
Jerry Luker presented a proposal (P498) for a hydrogeologic review and study on potential well sites provided by O'Donnell & Associates for fees ranging from $6,500 to $8,500 for the work.

The Board was given updates on the status of the ADEM DWSRF Grant for a new well.

Motion was made by Jennie Reese to approve the Engineer Contract with Speaks & Associates for the ADEM Drinking Water State Revolving Fund -Water System Improvements for Kushla Water District -DWSRF Project No. FS010094-02 and approve the authorization for the Chairman William Andrews to sign the Contract. Daryl Taylor seconded the motion, and it was approved by the Board.

Motion was made by Daryl Taylor to enter the Resolution below into the minutes on June 30, 2026. Joshua Burch seconded the motion, and it was approved by the Board.

RESOLUTION:

DWSRF Loan Application Review and Confirmation

The Board of Directors of the Kushla Water District met on April 28, 2026, and reviewed the District's application for Drinking Water State Revolving Fund (DWSRF) financing in the amount of $2,992,000. The Board noted that the proposed loan terms include $2,108,270 in principal-forgiveness funding, with the remaining $883,730 to be repaid over a 20-year term at an interest rate of approximately 2.4%. During the meeting, the Board discussed the application and reached consensus to proceed, including authorizing the Chairman to execute all required loan documents. It was later determined that a formal vote was not taken and the action was not recorded in the minutes. Accordingly, the Board hereby confirms its approval of the DWSRF loan application and formally authorizes the Chairman to sign all documents necessary to advance the project.

Attorney (Jay Ross): Reynolds Sorrell reported that there are no legal matters to address at this time.

Superintendent (Chad Hennis) -- Report of May 2026

- Well 3 and 4: 15,984,033 gallons
- Water sold: 13,051,632 gallons
- Water loss: 2.7%
- Service Leaks: No Leaks
- Number of Work Orders Completed: 39
- Number of AL811 Locates: 42
- All Bact-samples: Coliform Absent

Discussion of lightning and storms causing significant damage at the wells and the major cost of the repairs. A motion was made by Erica Massey to allow our Superintendent, Chad Hennis, to work with our Engineer, Jerry Luker, to come up with some specific guidance and cost estimates to address these issues. Jennie Reese seconded the motion, and the Board approved it.

Chad Hennis, Superintendent, discussed with the Board of the need to do a water rate increase. After some discussion, William Andrews, Chairman, stated the Board would revisit the water rate increase next month.

Secretary/Bookkeeper

- Profit and Loss Report for April 30, 2026 and May 31, 2026, was given to each Board Member.

William Andrews, Chairman, ask the Board to review the Profit and Loss Report ending Apri1 30, 2026, as printed. Jennie Reese made a motion to accept the Profit and Loss ending April 30, 2026, as printed. Daryl Taylor seconded the motion, and it was approved by the Board.
William Andrews, Chairman, ask the Board to review the Profit and Loss Report ending May 31, 2026, as printed. Jennie Reese made a motion to accept the Profit and Loss ending May 31, 2026, as printed. Joshua Burch seconded the motion, and it was approved by the Board.

Finance Committee Chairman (Earl Hudson):

- Daryl Taylor reported June 24, 2026, the CD (#1064.01) $208,836.23 at River Bank & Trust was closed. On June 25, 2026, opened a Money Market account (#1048.01) $208,836.23 at Trustmark Bank.

Office Assistant (Wendy Smith) – Report for May 2026

- Number of cust2026,s billed 05/01/2026: 2,221 – $92,439.45
- Number of payments received 05/01-05/31/2026: 1,906- $97,387.36
- Number of accounts with Late Penalty 05/16/2026: 289 - $2,616.42
- Number of Bank Check payments received: 606 - $33,967.19
- Number of Cash payments received: 206 - $9,264.47
- Number of Credit Card/On Line payments: 962 - $48,146.93
- Auto Draft Bank Payments: 132 - $6,008.77

OLD BUSINESS –

NEW BUSINESS –

Samuel Feibelman, Trustmark Bank, presented loan offer to the Board in regard to funds needed to complete the water storage tank after the ARPA grant funds have been used.

Motion was made by Jennie Reese to authorize Daryl Taylor to reach out to at least 3 banks seeking a loan in the amount of $400,000. The motion was seconded by Erica Massey and it was approved by the Board.

Motion to adjourn the Board Meeting was made by Joshua Burch. The motion was seconded by Daryl Taylor and approved by the Board.

I, Jo Ann Marquis, do hereby certify that this is a true and accurate report of the meeting of Kushla Water District Board of Directors held on June 30, 2026.

Jo Ann Marquis

Jo Ann Marquis, Secretary/Bookkeeper

7/16/2026

Date