

Stanley Brewer – Cox Subdivision – **President**

Randy Pebsworth – Town North Village – **Vice President**

Deborah Hunt – Town North Estates - **Secretary/Treasurer**

Adolfo Pompa – Plott Acres

Sheryl Prime – Town North Village

Peggy Jones - Town North Village

**I. Call to Order** – Stanley Brewer, President

**II. Invocation** – Sheryl Prime

**III. Pledge of Allegiance** - Stanley Brewer, President

**IV. Public Comments**

**I. Minutes**

Approval of the January 23, 2025, Board Meeting Minutes

- A motion was made, Seconded by Peggy Jones All were in favor. – **Motion Carried**

**II. Finance and Administration**

**FA 1** Review and Approval of Invoices to be Paid

- Lanita Bates, Anser Advisory presented to the board the invoices Invoices: Approval of various invoices totaling \$17,386.72. Adolfo Pompa would like the balance on the spreadsheet going forward
- A motion was made, to approve this month invoices Seconded by Peggy Jones All were in favor. – **Motion Carried**

**FA 2** Update on Audit

- Lanita Bates: The initial audit budget was \$15,000. After evaluating firms, the selected firm will conduct the audit remotely for \$10,000, reducing costs. All information will be shared via email.
- Tammy (Board Clerk) and Christy (Bookkeeper) have been the primary contacts for providing details and negotiating with the firms. The goal is to start the audit immediately, as books cannot be closed until the audit is completed.
- The engagement letter from Bolinger (selected firm) has been provided in the agenda packet, and the information-sharing process is underway.
- After completing the audit, the auditor will also handle taxes, which will be a separate expense. The estimated tax-related cost is \$2,000 to \$3,000.

**FA 3** Discussion of Annual Meeting and Set Date:

- **Matt McPhail, Winstead** There has been some turnover on the board, and the meeting was a little late last year. The goal is to ensure compliance with necessary election and auditing procedures.
- The two members up for election are Adolfo Pompa and Peggy Jones
- If both are interested in running again, they need to submit an application.
- If only two candidates apply for the two open positions, the election will be canceled. If more than two candidates apply, an election will be held at the annual meeting.
  - ❖ Selection of Independent Election Auditor
  - ❖ The board will need to hire an independent election auditor to ensure the process is fair and transparent. This person would help make sure the election is done correctly,

❖ Finalize and Approval of Ballot and Agenda

The agenda and ballot should be reviewed and finalized at the March meeting and need to be sent out with the required 30-day notice. April 24th is tentatively set for the annual meeting.

**FA 4** D&O Insurance Review

- Matt recommends that the same coverage as last year, which is outlined on page 17 of the packet.
- Optional coverages are not necessary at this time, once the system transfer we will look at some to the property and re-evaluate the essential coverages.
- Total premium for the year: \$5,540 (compared to last year's premium of \$4,939). The director's bond is essential and should remain.
- Optional coverage can be added later if needed, but currently, there is no need for changes.
- A motion was made, to approve the insurance premium Seconded by Peggy Jones All were in favor. – **Motion Carried**

**FA 5** Other Items

**III. General Counsel**

**GC 1** Status Update Regarding The Sale, Transfer, and Merger of The Smith Family System

- Matt McPail, gave an update to the board: The ALJ in the temporary rate docket requested additional information, which was provided recently. This indicates that the ALJ is nearing a decision on approving the temporary rate
- The temporary rate docket is a prerequisite for proceeding with the sale, transfer, and merger (STM) docket. Once the temporary rate is approved, the focus will shift to finalizing the STM filings
- The STM docket has been paused (abated) while awaiting the decision on the temporary rate docket. This pause is necessary to ensure all regulatory requirements are met before proceeding with the sale
- All necessary documentation for the STM has been prepared. Once the temporary rate docket is resolved, the documentation will be updated to reflect the outcomes and quickly filed
- The next steps involve waiting for the ALJ's decision on the temporary rate docket. Once approved, the STM docket will be reactivated, and the final filings will be submitted for approval
- The process is currently in a holding pattern, but progress is being made, and Matt is hopeful for a resolution soon

**GC 2** Status Updated on Patterson Demand Letter

- Matt McPhail, Windstead: Negotiations with Patterson's attorney are ongoing, with a small contested amount under \$10,000. Discussions aim to reach a reasonable conclusion.
- The key concern is confirming all requested information from Patterson, including verifying the completion of services and filings.
- The parties are close to resolution, with agreement on the contested amount. A meeting with Robert and Lenita is planned to finalize the response, with the goal of resolving the matter quickly.
- This item will be discussed at the next board meeting.

**GC 3** Director Training on Open Records and Meeting Act

- **Matt**, informed the board that Directors must complete the training within 90 days of taking the oath of office or assuming their responsibilities. This ensures that all members are aware of their legal obligations from the start of their tenure

- Upon completing the training, directors receive a certificate of completion. This certificate must be maintained by the governmental body and made available for public inspection upon request
- Compliance with these training requirements is crucial, especially as the board transitions from a temporary manager to the actual owner of the system. Ensuring all directors are trained helps maintain transparency and accountability
- Directors can reach out to Lenita, Robert, or Matt for assistance with the training. They can provide the necessary information and resources to complete the training

**GC 4** Other Items

**IV. Operations**

**OP 1** Engineer Status Update

- This item was discussed in CI

**OP 2** U.S. Water Status Update

- Wes (U.S. Water): Contractors are repairing leaky meters in areas like Town North Village. New meters have been installed to address incorrect readings.
- Disconnections for non-payment have occurred, and issues with bill delivery are being resolved.
- Maintenance work continues to balance water pressure, especially in high-pressure areas.
- There have been new water hookups and a major leak repair.
- U.S. Water is seeking a full-time employee for operations.
- Communication with customers is improving, including cold calls to address billing and set up payment plans.
- Challenges include freezing incidents, water pressure consistency, and billing/meter reading issues.
- The shutoff process was delayed due to billing issues, but disconnections have now resumed, with a \$50 reconnect fee in place (previous \$100 fee).
- Sharon Dolly, an elderly customer, is still dealing with a \$1,000 balance due to an unadjusted incorrect meter reading from Patterson. The board discussed adjusting her bill to the correct meter.
- Sheryl Prime discovered a hidden leak under her house with an ultraviolet camera

**OP 3** Collections and Shut off Update

- Lanita Bates, Anser Advisory: The board decided to delay shutoffs until the billing issue from the past month was resolved.
- After discussions with U.S. Water, the billing process has been corrected, and disconnections have resumed.
- A new \$50 reconnect fee has replaced the previous \$100 fee.
- Payment plans are available, and the team is actively working with customers to set them up to avoid shutoffs.
- Customers are being informed about payment plan options, and cold calls are being made to establish them before any shutoffs occur.

**OP 4** Board Discussion of Mutual Aid Agreement & Potential Action

- Lanita Bates, Anser: The TX WARN program allows utilities to support each other in emergencies with personnel, equipment, and services.

- Participation has no upfront fees, but assistance provided is reimbursed for expenses. The board discussed the benefits, especially mutual support in emergencies. Tammy will assist with registration.
- The board ultimately voted to participate in the program, a motion was made and second by Adolfo Pompa. All were in favor. – **Motion Carried**

**OP 5** Other Items

**V. Capital**

**C 1** Board Update on Grant Application for Capital Improvements

- The grant request to the Texas Water Development Board (TWDB) has increased to \$11 million, up from \$3.6 million, due to water quantity and quality issues.
- TWDB hasn't denied the request, but the amount exceeds their expectations, and discussions are ongoing.
- Alternatives: If full funding isn't secured, a "band-aid" solution may be explored, prioritizing some communities over others.
- Future Funding: There are multi-year grants available, with high funding likelihood due to the state's water priorities. \$1 billion allocated in the previous legislative session, and \$2.5 billion is being discussed for the future.
- The board will explore options and provide updates at the next meeting.

**C 2** Other Items

**VI. System Manager**

**SM 1** Set Date for the Next Board Meeting

- The next meeting is set for March 20th.

**SM 2** Other Items

**VII. Board Items**

**BD 1** Other Items

**Adjourn**

March 20, 2025  
Date Minutes Approved