

Attendees

Stanley Brewer – Cox Subdivision – President
Randy Pebsworth – Town North Village – Vice President
Deborah Hunt – Town North Estates - Secretary/Treasurer
Sheryl Prime – Town North Village
Peggy Jones - Town North Village
Stephen Wiggins - Town North Village

Call to Order: Stanley Brewer, President

Invocation: Sheryl Prime

Pledge of Allegiance: Stanley Brewer, President

Public Comments: Several public comments were made regarding billing issues, meter readings, and customer service concerns.

Minutes

M 1: Approval of the March 20, 2025, Board Meeting Minutes

- A motion was made and seconded by Sheryl Prime. All were in favor. – **Motion Carried**

Finance and Administration

FA 1 Review and Approval of Invoices to be Paid

- Lanita McCauley Bates: presented to the board and provided a detailed overview of the invoices and financial reports. She discussed various professional services, audit fees, utility payments, and tax payments, totaling \$52,419.76. Additionally,
- Late payments and compliance issues with the Texas Commission on Environmental Quality (TCEQ). These issues need to be addressed promptly to avoid further complications.

FA 2 Update on Audit and Taxes

- The audit revealed negative net assets due to the lack of property ownership and ongoing expenditures.
- The auditor emphasized the need for compliance with governmental auditing standards and the importance of addressing underlying concerns.

FA 3 Board Discussion of U.S. Water Deferred Payments

- Lanita addressed to deferred payments to US Water to deferred payments: She highlighted that US Water was not paid for several months (November, December, January), resulting in deferred payments amounting to approximately \$48,000. She is working on a plan to spread these payments over a longer period to make them more manageable.

FA 4 Other Items

General Counsel

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

- **Status Update:** Matt McPhail: present this item to the board:
- **Temporary Rate Matter:** The Public Utility Commission (PUC) commissioner's meeting resolved the temporary rate matter, which was a significant impediment to proceeding with the sale, transfer, and merger docket. This resolution allows the process to move forward.

- The board can now approach the Administrative Law Judge (ALJ) to update the filing and proceed with the sale, transfer, and merger docket. The board is hopeful that this will not take too long, but there are still a few hurdles to overcome.
- The South Plains Water Supply Corporation was set up as a legal entity to receive grant funds. A condition for receiving these funds is owning the water system, which requires going through the sale, transfer, and merger process at the PUC.
- The PUC process is similar to a court process, with a judge on the PUC staff handling the action. This process is supposed to work faster, but there has been red tape and delays.
- The board had reached an agreed-upon order with the PUC staff on the sale, transfer, and merger docket. While the ALJ needs to accept this report, it is a positive sign.
- The board discussed the financial challenges, including the need for grant funds to offset expenditures and improve the system's financial position. The grant money will help repair the system, reduce maintenance costs, and provide better quality water.
- **Unabating the Docket:** The board will need to update the filing and get the sale, transfer, and merger docket unabated. This involves working with the PUC staff attorney and the ALJ.
- **Grant Funds:** Once the sale and transfer are complete, the corporation will be in a better position to receive grant funds and improve the system.

GC 2 Status Updated on Patterson Demand Letter

- **Matt Mcphail: Outstanding Invoices:** There was a discussion about outstanding invoices from Patterson, totaling \$27,289, which have been approved but not yet paid. Additionally, there is a disputed amount of \$9,273.12 that needs to be resolved.
- The board acknowledged that two larger invoices totaling \$27,289 had already been approved several months ago but had not yet been paid. They agreed that these invoices should be paid.
- The remaining disputed amount of \$9,273.12 was discussed. The board considered Patterson's willingness to accept half of this disputed amount, which would reduce the payment to approximately \$4,636.56. The board seemed inclined to negotiate further to potentially reduce this amount even more.
- Some board members expressed strong opinions about not paying Patterson the full amount until they received all the necessary information and documentation from Patterson first. They emphasized the importance of Patterson providing the required customer account information and audit details before any payment is made.
- The board considered forming a committee of two members to discuss the outstanding invoices and customer account information with Patterson offline. This committee would work towards resolving the issues and ensuring that the corporation receives all necessary information before making any payments.

GC 3 Other Items

Operations

OP 1 Engineer Status Update

- **Allen Phillips, Jacob Martin Current Status:** The engineering updates are on hold. The board discussed that the engineer, Allan, is still waiting for further instructions and developments.
- **Next Steps:** The board suggested that Allen should contact Jesse Malonovich to keep the export and development boards working and ensure progress continues.

OP 2 U.S. Water Status Update

- **Service Orders:** Last month, there were seven service orders completed, including new connections and meter replacements and eleven reconnects were done following shutoffs for non-payment.

- **Unauthorized Meter Access:** Six meters were found to be turned back on by customers after being shut off. These were shut off again, and locks were placed where possible.
- **Extended Period:** Lanita is working on spreading the deferred payments over a longer period to make them more manageable. Initially, U.S. Water proposed a nine-month repayment plan with monthly payments of \$5,000, but this was deemed too high.
- **Negotiation:** Lanita requested U.S. Water to reconsider and extend the repayment period to 15 or 18 months, which would reduce the monthly payment amount and ease the financial burden on the corporation.
- **Budgeting:** The board will need to carefully budget and allocate funds to ensure that the deferred payments are made on time while maintaining financial stability.
- **Monitoring:** Regular monitoring of the corporation's financial status will be necessary to adjust the repayment plan if needed and ensure compliance with the agreed terms.
- **Coordination with U.S. Water:** Continuous communication with U.S. Water will be essential to finalize the repayment plan and address any issues that may arise during the repayment period.
- **Approval Process:** The board will review and approve the final repayment plan once it is negotiated and agreed upon with U.S. Water.

OP 3 Board Discussion of Timing of Meter Reads and Billing Cycles

- **Meter Reads: Lanita and Wes Fromlath, US Water**
- **Timing:** Meter reads were conducted recently, with efforts to ensure accurate readings despite some challenges.
- **Issues:** There were complaints about meters not reading correctly, leading to high or inaccurate bills. Some meters required replacement due to these inaccuracies.
- **Billing Cycles**
- **Late Billing:** Several public comments highlighted issues with late billing. Customers received their bills very close to the due date, causing inconvenience and potential late fees.
- **Billing Company:** The board discussed the performance of the billing company and considered changing it due to ongoing issues with timely billing and customer service.
- **Improving Timeliness:** The board emphasized the need to improve the timeliness of billing to ensure customers receive their bills well before the due date.
- **Communication:** Better communication with customers regarding billing cycles and meter reads was deemed necessary to address concerns and improve satisfaction.
- **Review and Adjust:** The board will review the current billing processes and make necessary adjustments to ensure timely and accurate billing.
- Efforts will be made to enhance customer service and address billing issues more effectively.

OP 4 Other Items

- **Need for Locks:** The board discussed the need for locking mechanisms to prevent unauthorized meter access. Several meters were found to be turned back on by customers after being shut off, highlighting the necessity for secure locks.
- **Types of Locks:** Various options for locks were considered, including tamper-proof barrel swivel locks and standard heavy-duty locks. The board evaluated the effectiveness and cost of these options.

- **Approval:** The board agreed on the importance of implementing these locks and considered the best approach to purchase and install them.
- The board will proceed with purchasing the selected locks and implementing them on meters to ensure secure and accurate readings.
- **Monitoring:** Regular monitoring will be conducted to ensure the locks are effective and address any issues that may arise.
- A motion was made and seconded by Sheryl Prime. All were in favor. – **Motion Carried**

Capital

C 1 Board Update on Grant Application for Capital Improvements

- Lanita. discussed the status of the grant application and emphasized the importance of securing these funds to offset expenditures, improve the water system, and provide better quality water.
- **Planned Improvements:** The grant funds are intended for several key projects, including:
 - Upgrading old and inaccurate meters.
 - Addressing and repairing leaks in the water distribution system. Valve Installations: Installing new shutoff valves for better control.
- **Locking Mechanisms:** Implementing tamper-proof locks on meters. Service Line Inventory: Conducting inventory to identify and replace outdated pipes. Billing System Overhaul: Improving the billing system for timely and accurate billing. Customer Service Enhancements: Upgrading customer service processes.
- **Compliance with TCEQ:** Ensuring compliance with regulations and improving reporting processes.
- The board emphasized the importance of securing these funds to enhance the water system's infrastructure and overall service quality.

C 2 Other Items

System Manager

SM 1 Set Date for the Next Board Meeting

- The next board meeting will be held on May 15, 2025

SM 2 Other Items

Board Items

BD 1 Other Items

Adjourn.

June 19, 2025
Date Minutes Approved