

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 (Absent)
Peggy Jones - Town North Village
Stephen Wiggins - Town North Village

Call to Order: Stanley Brewer, President

Invocation: Randy Pebsworth, Vice President

Pledge of Allegiance: Stanley Brewer, President

Public Comments: None

Minutes

M 1 Approval of April 24, 2025, Board Meeting Minutes

- The motion was made and second by Peggy Jones. All were in favor. – **Motion Carried**

M 2 Approval of April 24, 2025, Annual Board Meeting Minutes

- A motion was made and seconded by Randy Pebsworth, Vice President, all were in favor. – **Motion Carried**

FA 1: Board Discussion and Approval of U.S. Water Payment Plan

- Lanita McCauley Bates presented the U.S. Water plan to the board. The board discussed and approved an 18-month payment plan. This reflects deferred payment from a 3-month grace period. The monthly payment increased from \$16,000 to approximately \$20,000. Repairs and additional services from US Water Utility are billed separately from the base contract. A motion was made and seconded by Peggy Jones. All were in favor. – **Motion Carried.**

FA 2: Review and Approval of Invoices to be Paid

- Lanita McCauley Bates from Accenture presented a detailed overview of the invoices to the board, which subsequently approved approximately \$109,000 in payments covering two months. A few small TCEQ invoices remain unpaid, and ongoing communication is in place to clarify billing and ensure proper routing. It was noted that no fines or penalties from the previous management (Smith family) are being carried forward. The board acknowledged recurring charges, including monthly QuickBooks fees. Due to the missed May board meeting, some delays in approvals occurred, resulting in bundled payments during this cycle. A motion was made to pay the May and June invoices. Second, by Peggy Jones. All were in favor. – **Motion Carried.**

FA 3: Board Update and Review of Financials and Rates

- Christine Conley, Bookkeeper, provided an overview of the financials, noting that monthly revenue is generally sufficient to cover expenses, though occasional shortfalls occur due to major repairs. The board reviewed key financial metrics, including the current bank balance, accounts receivable, and budget versus actuals, and observed that water revenue is approximately 10% below budget. While the possibility of future rate reductions was discussed, the board concluded that such changes are not currently feasible.

FA 4: Other Items

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

- Matt McPhail, Winstead: reported that as of June 18, an agreed order has been issued by the Administrative Law Judge (ALJ) has issued an agreed order supporting the transfer of the water system to South Plains Water Supply Corporation. Final approval is anticipated at the Public Utility Commission (PUC) meeting scheduled for July 31, 2025. Once approved, this decision will mark the official transition from temporary management to full ownership, allowing South Plains to obtain its own Certificate of Convenience and Necessity (CCN). With this milestone, the system will become eligible to access earmarked funding, opening the door to much-needed infrastructure improvements and greater operational independence.

GC 2: Board Discussion and Approval to Reduce Board Size from Seven to Five Members

- Matt McPhail, Winstead: He explained that changing board size would require a formal process at a scheduled member meeting of the Water Supply Corporation, styled specifically as a member vote. He emphasized that making such a change during the transitional period—just ahead of receiving full system ownership—might introduce unnecessary complications.
- He noted that once South Plains officially owns the system and becomes the designated Water Supply Corporation, legal standards and compliance obligations will tighten, especially under open meeting laws. It's essential to maintain stability and full representation through this phase. Matt pointed out that the pool of eligible board members is limited to system customers, meaning it's often difficult to find qualified and willing candidates.
- Keeping seven members helps preserve representation across the various subsystems (including the four distinct service areas), which is important both practically and politically. As long as the board can consistently maintain quorum (i.e., four members attending), Matt advised that there is no immediate need to reduce the board's size.
- He reminded the group of bylaws that allow action if a member misses multiple meetings (typically three), providing flexibility to replace inactive members without formally downsizing the board. Matt left the door open for reconsideration: if quorum issues become a persistent problem or if member turnover increases, the board can revisit the reduction process. However, his recommendation was to delay any structural changes

until after the transition to full ownership is complete and the board is operating under the formal Water Supply Corporation framework.

- The Board decided to **retain current 7-member format** due to quorum viability and representation balance

GC 3: Other Items

OP 1: Engineer Status Update

- **Ken Rainwater, System Engineer:** presented Fido Tech Leak Detection Initiative. The committee, led by Lenita and Carlos, has made strong progress in exploring innovative solutions for water leak detection. A promising opportunity has emerged through Fido Tech, an international company that uses AI-powered acoustic sensors to detect leaks. Founded by a music acoustics expert, the company offers a unique approach to identifying leak sizes through sound analysis.
- Fido Tech has offered to conduct a free demonstration, with sensors to be deployed at key locations like Cowboy Field. The system is cloud-based, secure, and already used by major organizations like Microsoft. If successful, the service could be continued via a \$1,000/year subscription per user.
- However, the community faces a challenge known leak exist, but funding for repairs is limited. While US Water is actively fixing leaks, some issues—like valve replacements—require a full system shutdown, which hasn't yet occurred. **Wes confirmed that many valve repairs are being done live under pressure, despite the challenges.**

OP 2: U.S. Water Status Update

- **Wes Fromlath, U.S. Water** provided updates on infrastructure and maintenance issues. He reported that many valve repairs have been completed **live under full pressure**, despite the challenges. For example, they installed a meter where the pipe didn't reach the surface replacement meters, and leak repairs completed. Most of the major leaks have been addressed, though a few minor wet spots remain and will be handled moving forward.
- A significant issue is the poor quality of the original piping—Class 200 PVC, which is thin and difficult to repair. This has made compression fittings unreliable. Many of the leaks were caused by freezing, heavy rain, and soil shifting, though things have calmed down recently.
- **Wes** believes the system is now in good enough shape to benefit from Fido Tech's leak detection demo. Since the obvious leaks have been fixed, the sensors could help identify hidden or developing leaks before they become major problems.
- He also mentioned a new leak found at a vacant lot (5830) while mowing. The meter box was full of water, and follow-up is planned. Regarding the Fido Tech demo: **Wes** supports moving forward. The demo is free, and the full system would cost \$1,000/year per user if adopted. The proposed demo location is Town North Village, due to its size and potential impact.
- The group agreed that if **Wes**, who manages the system, supports the demo, it's worth proceeding with the Fido Tech demonstration.

OP 3: Customer Services Update

Wes Fromlath, U.S. Water: Customer service issues and billing adjustments were discussed.

- **Billing Delay Issue:** A board member raised concerns about delays between the billing date and when customers receive email notifications. Bills dated June 8 were not emailed until June 16, with a due date of June 23. The issue is under investigation by U.S. Water staff.
- **Customer Service Improvements:** Efforts are ongoing to ensure customer service representatives are properly trained and responsive. Opus is working closely with the board and providing improved reporting.
- **Billing Error Case:** A former customer who canceled service in 2023 was mistakenly billed again starting June 2025, accumulating over **\$1,100 in base fees** despite no water usage. The board agreed this appears to be an administrative error and will investigate further. Charges may be waived pending confirmation.
- Wes will investigate the billing delay and the account reactivation error. Improvements are needed in customer service training and communication. A forensic review of the affected account will be conducted to prevent recurrence.

OP 4: Issues Encountered in System Areas

- Wes highlights the challenges posed by aging and failing infrastructure, including substandard, leak-prone piping that complicates repairs and has led to a growing backlog as long-standing leaks are finally addressed. Pipe damage is being worsened by root intrusion and weather-related soil shifts. A key well in the Town of North Village (TNV) is currently offline due to an electrical mismatch that caused a pump burnout. Efforts are underway to resolve meter inconsistencies by installing standardized units. Additionally, there are ongoing compliance and capacity concerns, with new pump size needing to meet TCEQ standards for daily water delivery per connection.
- A full system compliance review (Phase Zero) is underway by US Water. The current system faces reliability challenges due to limited redundancy, with some booster and well pumps lacking backups. While well pumps require custom sizing, there is an opportunity to standardize booster pumps to simplify maintenance and replacements. Operational and vendor-related delays—such as contractors mishandling equipment—have further slowed pump replacements. Efforts are underway to upgrade TNV’s electrical system to support a 10 HP pump long-term, rather than opting for a downsized solution. These ongoing issues will influence the prioritization of a \$3 million capital improvement plan focused on restoring system reliability and maintaining regulatory compliance.

OP 5. Consumer Confidence Report Update

- Wes confirmed that the Consumer Confidence Reports (CCRs) were mailed and are available online via the South Plains website. The mailer included a direct link to the CCRs, and staff verified that the reports were successfully posted. This year’s CCR included a Lead Service Line Inventory, as required by TCEQ; since no lead was detected in the system, the report reflects that status. A separate Lead Service Line Report is also accessible online. Once distribution is confirmed, a certificate of delivery will be submitted to TCEQ.
- The CCR helps fulfill several monitoring and public notice requirements from past violations, many of which only require annual posting. Wes will follow up with TCEQ to confirm that all necessary reporting obligations have been met. A discrepancy remains regarding lead and copper sampling frequency, with conflicting guidance from different

TCEQ departments, one requiring quarterly testing, and another allowing two events annually. Staff are working to resolve this and plan to proceed with sampling this month.

- Regarding operational updates, there are concerns about timely receipt of violation notices tied to water sample results, as recent communication has been inconsistent. Staff will follow up to ensure contact information is correctly updated. Meter replacements continue, with new meters being installed where existing ones are faulty or producing questionable readings. Some customers have raised billing concerns, prompting target replacements. The system-wide upgrade to a new meter setup is under consideration but not yet underway.
- Lockouts were also discussed—two locations have been locked without incident, and additional locks are available for use as needed. Staff are also investigating a few locations using water service without complete billing information and are working to resolve those cases next week.

OP 6: Other Items

No additional items were discussed under this section.

C 1: Board Update on Grant Application for Capital Improvements

- Allen Phillips, Jacon Martin: provided an update on the grant application for capital improvements, noting that most documents have been submitted electronically and are awaiting final sign-off from the judge. The board commended Allen for his proactive efforts, including preparing multiple contingency plans (B, C, and D) and coordinating weekly to ensure progress.
- The discussion then shifted to advanced wastewater treatment technologies, including systems currently being developed by the Choctaw Nation for military use in extreme environments. While such filtration technologies could potentially increase water recovery and reduce waste, concerns were raised regarding their feasibility due to high costs, ongoing filter maintenance, and limited practical application for current system needs. The board agreed that while zero-waste technologies are attractive, any solution must be both effective and cost-efficient. The consensus was to remain open to new ideas and evaluate them case by case.
- The board also reviewed a proposed leak detection demonstration, which will be offered free of charge. Members agreed it would be beneficial to allow the demonstration to proceed, likely in late July or August, with a focus on the Town North area. No commitment to full implementation is required at this stage, and the demonstration will be conducted in coordination with U.S. Water.

C 2: Other Items

SM 1: Board Discussion: Leak Detection Pilot

- The leak detection pilot program, presented primarily by Allen Phillips, (Jacob Martin) with additional insight from Wes Fromlath, (U.S. Water), focused on a proposal to partner with Fido Tech for a no-cost demonstration using their advanced leak detection technology. Fido Tech, an international firm known for its innovative use of acoustic sensors and artificial intelligence, was founded by a music specialist who applied sound wave analysis to water infrastructure diagnostics.

- The demo would target Town North Village due to its size and water demand, with installation expected in late July or August. If adopted long-term, the program would cost approximately \$1,000 per user annually. We confirmed that most visible leaks in the system had been repaired and supported using this pilot to identify less obvious, underground leak points.
- The board expressed unanimous support for proceeding with the demonstration, recognizing its potential to proactively address system issues before they escalate. No formal vote was taken, but the board reached consensus that this was a low-risk, high-value opportunity to evaluate new technology for future infrastructure planning. Sensors will be deployed specifically to monitor night-time usage, when water activity should be minimal, allowing clearer detection.

SM 2: Board Discussion: Update and Feedback on South Plains Water Corporation Website

- The board discussed potential updates to the utility website, including adding a direct link to the online bill payment portal to improve accessibility. Feedback indicated that some customers still pay by phone, while others expressed concern about the recurring convenience fees—particularly when managing multiple meters. Currently, each bill incurs a separate fee, which some felt was unfair.
- The board questioned the value of these fees and suggested exploring payment methods, such as direct bank drafts, that may not incur additional charges. It was also noted that due to delays in receiving mailed bills, customers often have no choice but to pay online and incur the fee to avoid late payments. Staff will continue to evaluate website improvements for usability and billing efficiency and report back next month with proposals.

SM 3: Set Date for the Next Board Meeting

The next board meeting was scheduled for July 31, 2025.

SM 4: Other Items

BD 1 Other Items

Adjourn

July 31, 2025
Date Minutes Approved