

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

Call to Order: Stanley Brewer, President

Invocation: Randy Pebsworth, Vice Pesident

Pledge of Allegiance: by all

Public Comments: See BD1

Minutes

M 1 Approval of the August 21, 2025, Board Meeting Minutes

- A motion was made to approve the minutes from the previous meeting was made by Randy Pevbworth and seconded by Peggy Jones. All were in favor. – **Motion Carried**

Finance and Administration

FA 1 Review and Approval of Invoices to be Paid

- Lanita McCauley Bates, Accenture: presented a detailed of expenses incurred in the prior month. The total amount that was approved by the board \$54,988.81 significant due to recent system maintenance issues. a motion was made and second by Stephen Wiggins. All were in favor. – **Motion Carried**

FA 2 Other Items

General Counsel

GC 1 Status of STM Transfer and PUC Compliance Items as Temporary Manager

- Matt McPhail, Winstead presented: that the board was informed The board was informed that the Certificate of Convenience and Necessity (CCN), granting the legal right to serve water, has been successfully filed with updated mapping. Although the FTM process had been completed earlier, the CCN still needed to be recorded and submitted to PEC. That final step was completed a few days ago, meeting all deadlines. The filing complete, the board is now fully authorized to operate the system as a Water Supply Corporation. Under System Manager 1, it was noted that an updated tariff must be submitted to the Public Utility Commission (PUC), even if rates remain unchanged, to reflect the new ownership. Robert or Lenita will provide further guidance on the process.
- The previous operator, classified as an Investor-Owned Utility (IOU), the Water Supply Corporation has full authority to set rates without PUC approval unless formal protests are filed. While the tariff must still be submitted, PUC involvement is minimal.
- All System Transfer Management (STM) items are now complete, and the board is cleared to proceed with operations.
- Reminder: The deadline for submitting tariff reconciliation and related compliance documentation to the Public Utility Commission (PUC) is October 6, 2025.

GC 2 Other Items

- Matt McPhail, Winsteads stated that Going forward, my updates will mostly focus on compliance, and you won't be hearing from me as frequently now that we have a regular meeting schedule.
 - The **main item Matt proposing next month** is the cleanup of our **corporate documents**. Specifically, I want to ensure the transition from a 4- to 5-member board to 7 is clearly memorized. While we've held elections and met all requirements, some of the documentation includes handwritten notes that should be formalized for clarity.
 - Additionally, He want to make sure everyone is clear on **election term start dates, who's up for election each year, and annual meeting requirements**. These details are especially important now that you're officially operating as a Water Supply Corporation, rather than under temporary management.

Operations

OP 1 Engineer Status Update

- **Presented by: Allen Phillips (Jacob Martin)** received confirmation that the application is administratively complete and has been assigned a project number. It has now moved into review with the Water Development Board, which is a positive milestone.
- **Timeline & Funding Expectations.**The goal is to receive a funding commitment by December 2025, with an estimated closing in Spring 2026. After closing, plan approvals and implementation will begin.
- **Urgent Repairs & Interim Funding** A separate application has been submitted to the Community Subcommittee for \$200,000 to address immediate system issues.
Scope includes:
 - Well improvements in Cowboy Village (TV inspection, pump and column pipe replacement).
 - Installation of secondary booster pumps at three sites.
 - Miscellaneous plumbing upgrades, including strategic valve placement to reduce water loss during breaks (suggested by David).
- **Loan Repayment & Financial Review** The team is working through financial questions from the funding agency to ensure repayment capability. The plan remains to pay off the interim loan with proceeds from the larger project once it closes.
- The parallel Drinking Water State Revolving Fund (SRF) application ranked highly but did not qualify for disadvantaged funding, which limits grant potential. To improve eligibility, the team will conduct an income survey of actual customers to provide a more accurate financial profile.

Presented by: Ken Rainwater

- proposed purchasing a **calibrated hose bib meter** to verify the accuracy of customer meters.
 - This tool would allow precise testing by comparing known water volumes against meter readings.
 - Estimated cost is modest (likely under \$100); preference to buy locally for annual recalibration support.
- The board discussed the need for additional **locks and meter boxes** due to recent shutoffs and enforcement actions.
 - Inventory is nearly depleted; plan to purchase a few more to maintain service continuity.
- These tools and supplies are essential for improving billing accuracy, enforcing account compliance, and responding to customer complaints.

OP 2 U.S. Water Status Update presented by: David Salina

- US Water Utility Group provided essential operational support throughout the month, including routine maintenance, emergency repairs, and overtime labor. Their monthly contracted services totaled \$20,028.12, which included adjustments for previously unbilled work.

- Emergency maintenance and repairs added another \$17,277.00, while overtime labor was billed at \$57.50. US Water also assisted with leak detection, valve replacements, and float system repairs, particularly in areas like Town North Estates.
- They played a key role in investigating discrepancies between pumped and billed water volumes and proposed acquiring a calibrated meter to verify customer meter accuracy. Additionally, US Water managed mass shutoffs for unpaid accounts and reported low inventory of locks and meter boxes due to increased enforcement activity.

OP 3 Customer Services Update

- The customer services update addressed was presented by: Wes several key operational concerns. Significant discrepancies were noted between meter readings and billed water usage, prompting further investigation into system accuracy. Numerous service orders were processed, including disconnects, reconnects, and meter replacements, as part of routine account management and enforcement.
- Unauthorized water usage was identified, notably at the Smith House, where account status and entitlement are under review. Several customers reported unusually high usage or suspected faulty meters, leading to a proposal for purchasing a calibrated hose bib meter to verify accuracy. Additionally, efforts are underway to encourage residents to open new accounts or request additional meters to better monitor individual consumption.

OP 4 Other Items

System Manager

SM 1 Board Discussion: SPWSC Tariff and Water Rates Submittal to the PUC

Presented by **Matt McPhail (General Counsel)**.

The board must submit an **updated tariff** to the **Public Utility Commission (PUC)**.

- The current tariff is still under **Smith Management**, so it needs to be revised to reflect the new ownership by the **Water Supply Corporation**.
- **No rate changes** are planned at this time—just an ownership update.
- As a **Water Supply Corporation**, the board now has **full control over rate setting**.
- Unlike Smith Management (an IOU), the PUC does **not approve rates** unless there are formal protests.
- The board will need to coordinate with the PUC to ensure the updated tariff is properly filed.
- Further details and process steps will be provided by Robert Sheets and Lanita McCauley Bates

SM 2 Status Update on the Community Unlimited Loan

- The board reviewed the financial status of the system, focusing on expenses versus revenue.
- Robert Sheets was asked to assist in presenting the financial overview.
- The discussion included:
- High recent repair costs and their impact on monthly expenses.
- The pending **\$200,000 loan** application to **Communities Unlimited** for urgent system repairs.
- Clarification that the loan is short-term and expected to be paid off once the larger grant funding is secured.
- Communities Unlimited requested additional financial documentation to confirm repayment ability.

- The team is actively working to respond to those questions and hopes to have approval by the next board meeting.

SM 3 Board Approval to Release a Request for Proposal (RFP) for Professional Services

Presented by: Robert Sheets

- The board discussed the need to engage professional services to support upcoming system planning, engineering, and compliance requirements. Robert Sheets proposed releasing a **Request for Proposal (RFP)** to solicit qualified firms for these services. The RFP would cover areas such as engineering design, grant administration, regulatory compliance, and project management. a motion was made . seconded by Randy Pebsworth, Vice President. All were in favor - **Motion Carried**

SM 4 Set Date for the Next Board Meeting

- The next board meeting was scheduled for Thursday, October 23, 2025. A motion was made to approve the next board meeting seconded by Peggy Jones. All were in favor. – **Motion Carried**

SM 5 Other Items

Board Items

BD 1 Other Items

John Bures expressed appreciation for the board's continued efforts and acknowledged the progress made since the transition from Smith Management. He emphasized the importance of transparency, community engagement, and maintaining momentum on system improvements. John also encouraged the board to keep residents informed about upcoming changes and to continue prioritizing customer service and infrastructure reliability.

Adjourn

October 23, 2025
Date Minutes Approved