Stanley Brewer – Cox Subdivision – President
Randy Pebsworth – Town North Village
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:** Stanley Brewer

**Pledge of Allegiance**: by all

**Public Comments:** None

**Minutes**

**M 1** Approval of the November 20, 2025, Board Meeting Minutes

- A motion was made to approve the minutes from the previous meeting by Stanley Brewer and seconded by Randy Pebsworth. 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 review of invoices totaling $38,481.48 including professional services, loan repayment, and attorney fees. Invoices are around $7,000 less than last month. A motion was made to approve the invoices made by Stanley Brewer and seconded by Deborah Hunt. All were in favor. **- Motion Carried**

**FA 2** 2025/2026 Cash Projections

- Lanita McCauley, Accenture: Asked to hold the Cash projections for the next meeting. With the new loan we received there will be changes to the cash projects and we can go through them during the next meeting.

**FA 3** Approval 2026 Budget

- Christine Conley, Accenture: Reviewed the budget for 2026. There is a negative number if things stay the same. Anticipated payoff/refinance of existing debt upon closing of the grant which would remove loan payments.
- R&R (Repair and Replace fund) – contributions may be reduced while major repairs are grant funded, with residuals accumulating for future needs. Currently modeled at 10% of income, we will review the percentage of R&R.
- FY2026 Budget approved with no rate increase at this time, noting that there will be some changes after review of R&R and grant funding. A motion was made to approve the 2026 budget made by Stanley Brewer and seconded by Randy Pebsworth. All were in favor. - **Motion Carried**

**FA 4** Other Items

**General Counsel**

**GC 1** Discussion on Annual Meeting and Deadline

- Matt McPhail, Winstead: Discussed the annual meeting requirements. Must have the annual meeting by May1st: target April with a short annual meeting followed by the regular monthly board meeting. To prepare we must select an election auditor, prepare ballots and agenda material. Will also need to confirm the incumbents running.

- Suggested having all board positions filled. The open seat from last cycle should be filled (appointment for the remainder of the term if the seat is not in the election cycle). If we have trouble filling spots we can vote to reduce the number of board members.
- The annual meeting is the place for bylaws changes that need to be voted on.

**GC 2 Discussion on Status of Easements and Potential Real Estate Acquisition**

- Matt McPhail, Winstead discussed the well site easement. Current access is prescriptive and would like to discuss potentially acquiring the site. The owner's health creates urgency. It would not have a high value so it would not justify spending a lot of money. The board directive is to proceed with engagement; Randy will be included in communications and there will be no formal offers without board approval.

**GC 3** Other Items

**Operations**

**OP 1** Engineer Status Update

- Presented by: Allen Phillips, Jacob Martin: The emergency project, contracts with Thunder Pump were executed (two contracts: utility/tank improvements; well improvements); start date February 3. One contract is 60 days and the other is at 90 days taking us to May.

**OP 2** U.S. Water Status Updates – (U.S. Water was not present)

- Lanita McCauley, Accenture: The U.S. Water representative Wes has left: David Salinas is the current point of contact. Wes will contribute a post-departure summary.
- We can have U.S. Water facilitate a guided tour for the board.

**OP 3** Customer Services Update

- Lanta McCauley, Accenture: We will need to send out a notice to inform the customers of the emergency repair work that is going to be done. The notices will be mailed, will have the draft prepared this week and mailed out by next week.

**OP 4** Funding and Capital Improvements Updates

- Allen Phillips, Jacob Martin: Regarding the 3 million for the RWAF, we have been issued a grant number. We've gotten comments, answered all those comments and we are on the draft agenda for the February 19th Texas Water Development Board meeting. That will be our official commitment after the February 19th meeting and then we'll have to close. The Texas Water Development Board engineer felt like 90 days to process was conservative, that would put us at a May closing. Closing is when we would have authorization to start using the funds as needed.
- Once we close; to complete projects we will have to go through the process of sending documents to TCQ and Water Development Board for them to approve. Jacob Martin will handle sending documents for approval, with board approval.
- Board direction: pursue disadvantaged status to maximize future grant components. SPAG will provide administrative support for $1,500. A motion was made to proceed with pursuing the disadvantage status and working with SPAG made by Stanley Brewer and seconded by Randy Pebsworth. All were in favor. - **Motion Carried**

**OP 5** Other Items

**System Manager**

**SM 1** Board Update on the US Water Loan

- Lanita McCauley Bates, Accenture: We received the loan with the 4% rate.

**SM 2** Set Date for the Next Board Meeting

- The next board meeting was scheduled for Thursday, January 29, 2026.

**SM 3** Other Items

**Board Items**

**BD 1 Other Items**

Adjourn

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**Date Minutes Approved**