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 February 2, 2026, Board Meeting Minutes

- A motion was made to approve the minutes from the previous meeting by Stanley Brewer 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, Accenture: Presented a detailed review of invoices totaling $51,292.35 including professional services, loan repayment, and attorney fees. This included an annual insurance payment making the invoice totals more than prior months. We are also checking the USW Utility Group invoice. A motion was made to approve the invoices made by Sheryl Prime and seconded by Stanley Brewer. All were in favor. **- Motion Carried**

FA 2 Emergency Repair Payments Accounting

- Christine Conely, Accenture: Discussed the money used from the $200,0000 for emergency repairs, thus far the only thing paid was an invoice for Jacob Martin for $10,500.00

FA 3 Closure of City Bank Accounts

- Christine Conley, Accenture: Requested that we close the City Bank account, it must be done in person. We would like to close the account to save on monthly fees and move the funds to the Peoples Bank account. A motion was made to approve the closure of the City Bank account made by Randy Pebsworth and seconded by Stanley Brewer. All were in favor. - **Motion Carried**

FA 4 Other Items

General Counsel

GC 1 Discussion on Annual Meeting; finalize and Approve Ballot and Agenda

- Matt McPhail, Winstead: Discussed the status of the annual meeting. Decide when we will have the Annual meeting. Notice of the annual meeting will need to go out to the members 30 days prior to the meeting. A motion was made to approve the ballot and application letter to be sent to the members, also to have the annual meeting on April 23, 2026 at 6pm made by Stanley Brewer and seconded by Randy Pebsworth. All were in favor. - **Motion Carried**. An amendment motion was made to move the meeting to April 30th at 6pm made by Stanley Brewer and seconded by Randy Pebsworth. All were in favor. - **Motion Carried.**
- Annual meeting will be held before the regular monthly meeting. We can approve the annual meeting minutes at a regular board meeting. Recommended we approve the annual meeting minutes and regular meeting minutes during the May meeting.

- Need to send the agenda to members before the annual meeting. We would like to have the agenda mailed out to members by March 25th in time for the April 30th annual board meeting. A motion was made to approve the annual meeting agenda to be sent out to members made by Randy Pebsworth and seconded by Stanley Brewer. All were in favor. - **Motion Carried**
- Lanita McCauley Bates, Accenture: Will coordinate with US Water to get out the mailings out including the agenda application letter and ballots for the annual meeting.

GC 2 Appointment of an Independent Election Auditor

- Matt McPhail, Winstead – Need to appoint an election auditor. A motion was made to approve Lindsey Smith as the Election Auditor for the annual meeting made by Stanley Brewer and seconded by Sheryl Prime. All were in favor. - **Motion Carried**
- Discussion of reducing the board members to 5 members from 7 as it has been hard to fill positions. If there is not a lot of interest in open positions, we can discuss this during the May meeting.
- If someone shows interest in a board position after the election, if there is still an open position they can be appointed to the open position by the board.

GC 3 Status of Easements and Potential Real Estate Acquisition

- Currently there is no update

GC 4 Other Items

- Matt McPhail, Winstead and Christine Conley, Accenture: Presented a policy for handling bad debt and account closures. The policy would allow disconnected accounts to remain active for 90 days before being moved to bad debt reserves, stopping the accumulation of monthly base fees on inactive accounts. This addresses the significant accounting issue where disconnected customers continue accruing charges indefinitely. A motion was made to approve Resolution No 1. by Stanley Brewer and seconded by Sheryl Prime. All were in favor. **- Motion Carried**
- Will look at finding a collection agency that can collect on outstanding accounts. Look at modifying the tariff so that someone must pay their past balance and deposit up front before we set them up with a new account.

Operations

OP 1 Engineer Status Update

- Allen Phillips, Jacob Martin: reported successful approval of the $3.3 million Texas Water Development Board loan on February 19th, with closing expected around June 1st. The parallel $11.2 million drinking water SRF application was being resubmitted after initial decline. An income survey meeting was scheduled for March 9th week to support future grant applications, and discussions continued regarding USDA funding options that include loan components.
- Updates on ongoing projects funded by the $200,000 emergency loan. Contract One ($58,209.26) covers pump and electrical work, while Contract Two ($81,510) addresses tank repairs and distribution system improvements. Significant progress was reported at Town North Village sites, including tank leak repairs and pump installation preparations. Line location work was nearly complete except for some areas requiring additional investigation.
- Contractor has proposed a shutdown for valve installation work: Town North Estates on Monday from 8 AM to 5 PM, Plot Acres on March 16th, and Cox Edition on March 18th. Concerns were raised about spring break conflicts, but the schedule was maintained with plans for advance notification through multiple channels.

OP 2 U.S. Water Status Updates

- Davis Salinas, U.S. Water representative – discussed laboratory processes

OP 3 Customer Services Update

OP 4 Summary of Laboratory Results

- Davis Salinas, U.S. Water representative: Discussed the testing results and schedules for different water quality parameters. Various tests are conducted on different rotational schedules (quarterly, annually, every three years, or every nine years) depending on the specific contaminant and regulatory requirements. He noted ongoing work to resolve multiple notices of older violations.
- There are pending notices of violation for Cox that go back to April of 2020, which we are working on with TCQ.

OP 5 Discussion and Action on Change Orders

- Phillips presented two change orders totaling $14,427.50 for additional necessary work including wellhead equipment replacement, valve upsizing, and investigative excavation. Contract One change order was $3,068 for check valves and flow meters, while Contract Two change order was $11,359.50 for flush valves, sample taps, and hydro-excavation work. These changes would leave approximately $26,353.24 in remaining contingency funds. A motion was made to add a 2nd change order for contract one in the amount of $3,068 and a change order on contract two for $ 11,359.50 by Randy Pebsworth and seconded by Stanley Brewer. All were in favor. - **Motion Carried**

OP 6 Other Items

System Manager

SM 1 Set Date for the Next Board Meeting

- The next board meeting was scheduled for Thursday, March 26, 2026.

SM 2 Other Items

Board Items

BD 1 Other Items

Adjourn

March 26, 2026

Date Minutes Approved