Peggy Jones– Town North Village – President
Randy Pebsworth – Town North Village – Vice President
Sheryl Prime – Town North Village - Secretary/Treasurer
Stephen Wiggins – Town North Estate – Asst Secretary/Treasurer
CJ Leonard - Town North Estate

Call to Order: Peggy Jones, President

Invocation: Sheryl Prime

Pledge of Allegiance: by all

Public Comments: A property owner, identified for the record as Lindsay Smith (6826 North County Road 1630) addressed the board regarding concerns about unauthorized or unannounced access to her property, potential construction of structures near a well site located on her property. Interest in future discussions regarding easements and well sites. Stated that SPWSC doesn't own the well, only a little square of the property that includes the meter and electricity. Mrs. Smith is asking for mutual respect; including notice before anyone is going to be on the property and discussion before anything is done on her property. She agrees the well needs to be winterized but it needs to be communicated to her first. The board members clarified that no structures would be installed without prior communication and approval by the owner. Future easement and property issues will be discussed in greater detail. The board intends to work collaboratively with property owners before acting on any property related matters.

Minutes

M 1 Approval of the August 20, 2026, Board Meeting Minutes

- A motion was made to approve the minutes from the previous meeting with corrections to the invocation, it was by Sheryl Prime and to update the church address 1003 6th Street, by Peggy Jones and seconded by Stephen Wiggins. All were in favor. **– Motion Carried**

Finance and Administration

FA 1 Review and Approval of Invoices to be Paid

- Lanita McCauley Bates, Accenture: Introduction of new Accenture Team member Jordan Carrasco, licensed professional engineer to assist with capital programming and filling in to attend meetings. No additional costs, just an added resource.
- Lanita McCualey Bates, Accenture: Operating invoices totaling $43,756.94 including Accenture ($9,854.17), US Water Utility Group ($16,969.45), BSGM for filed taxes ($3,200) Winstead ($4,148), Ken Rainwater ($545.70), WFX consolidated repayment ($2,792.61), two SPAG invoices ($3,000) and South Plains Electric ($1,240). A motion was made to approve the invoices by Peggy Jones and seconded by Randy. Pebsworth All were in favor. **- Motion Carried**

FA 2 Grant Funds Payments Accounting

- Christine Conley, Accenture: A reimbursement was received from grant Outlay #3 totaling approximately $11,044. Now that invoices have been approved, outlay #4 will be submitted. Peggy is signing the outlay documents before they are submitted.

FA 3 Customer Leak Credit Policy

- Lanita McCauley Bates, Accenture: Presented a draft policy for customers with leaks. Credit of 50% of water charges attributed to usage above the customers average. To be eligible the customer's account must be in good standing, they must promptly identify, repair and document a qualifying leak on the customer side of the meter, with proof. Must submit receipts, invoices, photos of the leak and repair. Subject to limitations, including an adjustment, is not automatic and it must be approved; the corporation may deny a request if there is not adequate proof of the leak and repair. Also, it may be denied or limited

if the leak resulted from negligence related to failure to repair, tampering, or other circumstances determined by the corporation to be ineligible. You may limit the leak adjustment credit to one approved adjustment per customer account within a 12-month period. Having a policy in place will ensure everyone will be treated equally and limited billing relief to eligible customers. A motion was made to approve the customer leak credit policy with the averaging period changed from six to three months by Peggy Jones and seconded by Sheryl Prime. All were in favor. - **Motion Carried**.

FA 4 Other Items

- Lanita McCauley, Accenture: No other financial items.

General Counsel

GC 1 Board Training, Governance, Roles and Responsibilities

- Matt McPhail, Winstead: SPWSC is a nonprofit water supply corporation subject to the Water code chapter 67 and subject to Open Meetings Act. Counsel presented a document the board can use for quick reference: definition of a meeting/quorum and "walking quorum" risks (especially email reply-all), posting requirements (three full business days' notice), open meetings and public access, and narrow closed-session exceptions (e.g., attorney consultation, real property/negotiations).
- Conflict-of-interest guidance: a director with an interest in an item should disclose, abstain, and be removed from deliberation and vote on that item; recusals to be documented in minutes.
- Directors confirmed completion of the required board training; certificates to be submitted to Accenture for the records.

GC 2 Easements and Potential Real Estate Acquisitions

- Matt McPhail, Winstead: No current updates

GC 3 Potential Appointment of Board members

- Matt McPhail, Winstead: Two board openings remain, the board seeks eligible candidates even if it's for the short term.
- Approved to add a flyer insert in the next billing cycle (Peggy volunteered to review before distributions) plus a no-cost robocall reminder.
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GC 4 Other Items

- Matt McPhail, Winstead: No other items

Operations

OP 1 Engineer Status Report

- Allen Phillips - Jacob Martin Representative: A presentation on current updates and future. Current project is the $3.3M RWAP project covering electrical upgrades, mobile generator hookups with transfer switches, looking at remote monitoring, water meters, well house improvements, well head modifications, and line work. Remote monitoring will help the operators to manage the system, to be able to see an issue, and quickly identify what is going on. This would save time and effort. Several sites we are looking at either replacing air compressors or automating the system.
- Disadvantaged status secured: SPAG income survey completed (33% response vs. 30% required) and submitted to TWDB; corporation qualifies for disadvantaged status for the next five years, adding 30 ranking points and grant access.
- AMI Water Meter discussion: There are many different types of meters, as we work through the design process and bid package we will talk more about the cost differences and when they will need to be replaced. Ultrasonic meters (lack of moving parts) detect the water as it goes by and is preferred. These

types of systems will no longer need the base station; the information will go through the cloud. The bid specs will require ultrasonic without naming vendors (e.g., Kamstrup, Master Meter, Badger); recurring per-meter cloud/satellite fees noted; customer portal option available. We will get multiple bidders, and each vendor is a little different. A lot of the meters will have a 20-year warranty, 10 years full and a 10-year pro-rated. These types of systems do have recurring fees, like a subscription fee.

- TCEQ Compliance Issues: Sanitary control easement deficiencies. Resident letters were sent and the majority declined to sign; the corporation will pursue the TCEQ exception process, which requires current water quality analyses and monthly Bac-T sampling at each wellhead going forward.
- Timeline: Design → TWDB environmental/engineering report/plan approvals → bidding and award → construction in spring, extending to 2028; engineer will explore with TWDB breaking out the water meter contract for earlier bidding. Allen is going to visit with the TWDB about the possibility of breaking some of the contracts up.
- Water quality: Town North Village (arsenic hits almost every quarter since 2023, selenium), Cox Addition (fluoride every test; recent combined uranium hits), Town North Estates (arsenic every time, combined uranium).
- Treatment technologies reviewed: EDR/RFRO/RO considered the "safe bets".
  RFRO recovery 89% vs. 75% for standard RO (Ropesville example). Membrane replacement should be planned on a 3–5 year reserve cycle with a future rate increase for O&M.

OP 2 Review and Approve the Water Conservation Plan/Drought-Contingency

- Lanita McCauley Bates, Accenture: A necessary plan needed for the systems. A plan was prepared by Jacob Maritn in 2025 but never formally approved by the board.
- Allen Phillips - Jacob Martin Representative: The TWDB funding requires a Water Conservation Plan, that will be renewed every five years. It will give us the ability to say okay we are at stage 1, and we need to have a voluntary reduction, please stop using so much water. Stage 2 may be odd addresses can only water on Monday and Wednesday, just a couple examples of what the plan may look like. The board has the ability to tweak the plan as needed.
- David Salinas U.S. Water representative: Noted tariff adjustments are needed to give the plan enforcement; tabled to October by motion. A motion was made to table the Water Conservation Plan/Drought-Contingency Plan by Stephen Wiggens and seconded by Peggy Jones. All were in favor - **Motion Carried**.

OP 3 Customer Services Update

- Brian U.S. Water representative: Town North Estates ground storage tank leaking at the bottom seam and worsening weekly; potential catastrophic failure. Plan: excavate around the tank and contract Ron Perrin for an interior dive inspection and a temporary NSF-approved epoxy patch.
- Allen Phillips to bring replacement pricing (steel vs. fiberglass, 20,000-gallon) and funding alternatives (including possible TCEQ emergency relief program) next month; board requested emergency funding options research. There is approximately $14k left of the reserve money from the $200,000 we did not spend.
- Fiber contractors at Plott Acres hit a main line and a service line (reimbursement expected).
- Operations: consumption good at Town North Village, Cox Addition, and Plott Acres; Town North Estates "shaky" pending leak repair; 18 disconnects last month.
- Regarding the water theft at 8102 County Rd 5850: It was decided that Sheryl should not act as the victim representing SPWCA. Ken volunteered; matter tabled to next month for careful consideration.

OP 4 Informational Purposes TCEQ Diversion Plan

- Lanita McCauley Bates, Accenture: A meeting has been scheduled with TCEQ leadership to discuss compliance plan and funding issues, update to follow.

OP 5 Other Items – no other items

System Manager

SM 1 Set Date for the Next Board Meeting

- The next board meeting was scheduled for Thursday, October 22, 2026.

SM 2 Set Date for the Annual Board Meeting

- Consider moving the annual meeting earlier from April: bring dates next month that would work for February, March and April.

SM 3 Other Items

- Lanita McCauley Bates, Accenture: An invoice from US Water for emergency repair work performed during 2026 will be presented at the next meeting. Approximately $22,000 in accrued repair costs are expected for Board consideration. US Water has been accommodating regarding payment timing.

Board Items

BD 1 Other Items

- Exploration of emergency funding alternatives should major infrastructure failures occur prior to reimbursement availability. Continued monitoring of emergency repair needs and funding options.

Adjourn

October 22, 2026
Date Minutes Approved