

BRUNNER HILL WATER ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES

Tuesday, April 14, 2026

1. The President, Danny Woods, called the meeting to order at 6:14 p.m.

2. BOARD MEMBERS PRESENT:

President	Danny Woods
Vice President	David Phillips
Board Members	Richard Hazel, Jeff Berry
Superintendent	Gerry Lance
Secretary	Angela Johnson

3. BOARD MEMBERS ABSENT: Shawn Hargett

4. MEMBERS OF THE AUDIENCE: None

5. MINUTES FROM MARCH 17, 2026: David Phillips motioned to approve the minutes; Richard Hazel seconded. Motion carried.

6. APPROVAL OF MARCH'S FINANCIAL STATEMENTS: There was brief discussion about the miscellaneous expenses in March. \$750 was paid to AR Natural Resources Commission for filing Public Water Authority conversion documents and \$1000 was paid to Hayden Acklin (who will need a 1099 at the EOY) as a commission for the sale and delivery of the New Holland tractor. David Phillips motioned to approve the financials; Richard Hazel seconded. Motion carried.

7. PRESIDENT'S REPORT: There was discussion about Heavy Equipment, as noted in Open Items below. There was lengthy discussion about a situation with one of our customers who paid to have a road bore and to have a service line run to the meter that services his home and claims to own the service line under the road. Other meters have been installed on that line and he believes he has the authority to grant or deny service to those meters. Danny will ask the attorney draft a letter explaining to this customer, that BHWA assumed ownership and responsibility to maintain the service line once it was connected to the system. He has no ownership, authority, or responsibility for that service line, regardless who paid for the installation.

8. SUPERINTENDENT'S REPORT: Gerry reviewed the Superintendent's Report. Lucas passed the test for Water Operator Distribution Level 2 and will be an Operator in Training until August. ARWA is sending someone to assist with fire hydrant repairs and someone to assist with financial assistance (loan/grant) paperwork for upgrading meters. Gerry also reported that James Winston was overjoyed at the goodwill gesture by the Board of Directors in making right the situation surrounding the installation of his meter.

9. SECRETARY'S REPORT: Angela reviewed the Secretary's Report, noting that for continuity, we utilized Ballard & Company for Income Tax and audit preparation until we become a Public Water Authority. Additionally, Brian Haas's quote did not include tax preparation; he thought we were already a Public Water Authority. Statements of Financial Interest will be distributed in December

to be completed by early January. Once completed and notarized, they are to be submitted to the County Clerk.

Topic: Authority for Candace Nielsen to act as an Agent for Payment Plans
Discussion: Angela asked that Candace be granted to act as an Agent for Payment Plans when there are no exceptional circumstances.
Conclusion: All directors were in favor of giving Candace Nielsen the authority to act as an Agent for standard Payment Plans; no directors opposed.
Topic: Define "Reconnect" for the purposes of Reconnect Fees
Discussion: Angela asked for clarification on the term "Reconnect" to determine whether to charge every time a meter is re-installed at a location or only when a meter is re-installed for the same customer. After discussing manpower and equipment costs, the board determined that the Reconnect Fee will be charged every time a meter is reinstalled at a location regardless whether or not it is for the same customer. There was also much discussion about increasing the fee to at least cover the cost of a meter. There was also discussion surrounding transferring the account from one person to another when the meter is already at the location and if a fee should be assessed for this service.
Conclusion: David Phillips motioned to increase the Reconnect Fee to \$200 and to implement a Transfer Fee of \$75 effective May 1, 2026. Richard Hazel seconded. Motion passed. Angela will update and post the new Fee Schedule.

10. OPEN ITEMS:

Topic: ARWA – Public Water System
Discussion: 6/17/25 This is a topic Shawn Hargett wanted to discuss. He was unable to attend. 7/15/25 Shawn briefly discussed the potential to change from an association to a public water authority. Gerry also commented. The change would open opportunities for reduced cost equipment and employee benefits. The board heard a recommendation to hold a Town Hall meeting with the members to discuss this opportunity. 8/19/25 Gerry reported that he is still awaiting revised documents from the ARWA lawyer, which include revised Bylaws that will fix the issues revolving around elections and a reasonably attainable quorum. Once we receive the documents, we will present them to our attorney to determine if we need to have a board member or a general membership vote. Danny suggested that if a general membership vote is required, we hold a Fish Fry with door prize(s) to attain the number of members necessary for a legal quorum. 9/16/25 Additional changes to the draft bylaws were identified. Questions about who can hold the office of Board Secretary and Board Treasurer were also raised. 10/21/25 Danny informed the Board, during his report, the earliest he could schedule an appointment with the attorney is 9am on 10/29/25. Once the attorney advises us on what we can do regarding the proposed bylaws and approving the conversion, we will set details for the next Annual General Membership Meeting.

11/18/25 Danny reported we are awaiting reply from the attorney regarding inquiries made at the last meeting.

12/16/25 Danny has not received word from the attorney. A special meeting will be held in conjunction with the annual meeting to discuss converting to a Public Water Authority. We invited a lawyer who is experienced and knowledgeable about such conversions to attend the meeting to field questions. A special meeting is a required step in the conversion process. Notification must be made between 10 and 40 days prior to the meeting.

1/13/26 Danny consulted with Roger, our attorney, after our annual meeting to verify we still need to obtain a quorum of the general membership to convert to a Public Water Authority. Jeff contacted Hollis to clarify the conversion documents, conversion process, and sequence of actions. Gerry provided an update of the ballot count and reported common questions and concerns about new bylaws and potential impact to water rates. The Directors agreed to bring Akynna Nielsen onboard to call members to obtain their ballots.

2/17/26 Currently, regarding the votes to convert to a PWA, BHWA has received YES votes thus far from 54% of the membership and NO votes from 1%. Therefore, no additional votes will affect the outcome. Even if all outstanding votes came in as NOs, we still have enough YES votes to pass the motion to convert to a PWA. Angela will write a notice on the website with an update on the number of votes and inform members that final numbers will be announced at the next scheduled board meeting. There was also brief discussion about the possible need to formally appoint/reaffirm Angela Johnson as the Corporate Secretary.

3/17/26 Final vote tally is: 283 YES; 8 NO; and 2 OBSTAIN. Given 54% of the total membership voting YES, documents have been signed and submitted to the Arkansas Natural Resources Commission for conversion to a Public Water Authority.

4/14/26 Hollis Tate, P.A. and Heartsill Ragon, P.A. both warned us that the process moves slowly and asked that we be patient for a few months.

Conclusion: No action as of yet.

Topic: Heavy Equipment

Discussion:

8/19/25 Danny offered to donate a rifle to raffle. BHWA can use the proceeds to purchase new equipment. Details are still to be determined tickets will likely be limited to 500 tickets at \$20 per ticket. Danny will obtain pictures of the gun(s) that the winner may choose from.

9/16/25 During the President's Report, Danny reported that ticket sales have slowed down.

10/21/25 Ticket sales continue to be slow. We may have to pick a day and conduct the drawing, even if we do not sell all the tickets. This decision is postponed until after the meeting with the attorney. There was also brief discussion regarding dump trucks vs. dump trailers, if we were able to purchase one in the future. Those present also discussed selling the tractor and attachments separately if necessary, so long as we get as close as possible to the target sales price.

11/18/25 Danny reported there have been people interested in the tractor; however, no offers. We have had an offer of \$4500 for the backhoe attachment; however, we want an offer on the tractor before we remove the backhoe. There was also discussion about the length of time it has taken to sell raffle tickets.

12/16/25 There is no progress on the sale of the tractor. It is likely to be springtime before we see much interest. The raffle draw occurred as planned; congratulations goes to Jewell Stinson! He selected the Henry 30-30 Lever Action Golden Boy!

1/13/26 Gerry listed the tractor and the trailer on Facebook Market Place for \$20,000 and \$3,500 respectively.


2/17/26 The tractor and the trailer are still for sale.

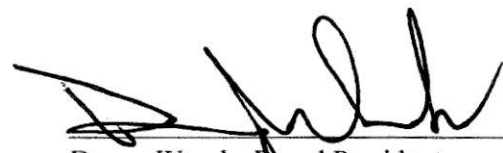
3/17/26 With little to no interest in the tractor or the trailer, the Directors agreed to reduce the asking price of the tractor to \$15,000 OBO and of the trailer to \$2,500 OBO, with minimum amounts pre-agreed upon.

4/14/26 The tractor sold for \$15,000; we paid \$1,000 of that to Hayden Acklin (who will need a 1099 at the EOY) as a commission for the sale and delivery. The trailer sold for \$2,500.

Conclusion: Item closed

11. NEW BUSINESS: David Phillips motioned to discuss Candace's annual review and Lucas' status as an Operator in training during an Executive Session immediately following this meeting. Jeff Berry seconded. Motion passed.
12. PUBLIC FORUM: No comments.
13. ANNOUNCEMENTS: The next board meeting is scheduled for 6:00 pm on Tuesday, May 19th, 2026, at the water office.
14. ADJOURNMENT: Jeff Berry motioned to adjourn the meeting. Richard Hazel seconded; motion carried. The meeting adjourned at 7:50 pm.
15. REPORT OF EXECUTIVE SESSION: The Board of Directors held an executive session immediately after the regular session adjourned. Candace's annual review was completed. She was praised for her performance. Gerry will document her personnel file. It was determined by the board to delay any salary adjustments until we receive final notice on the conversion to a water authority, at which time adjustments and/or employee benefits would be discussed. Hopefully that will occur in the August time frame. The Board approved \$250 merit bonuses to Lucas Bockstahler, Angela Johnson, and Candace Nielsen as a token of the board's appreciation to the staff.


Angela Johnson, Secretary


Danny Woods, Board President