

BRUNNER HILL WATER ASSOCIATION  
BOARD OF DIRECTORS MEETING MINUTES  
Thursday, April 18, 2024

1. The Vice President, David Phillips presided at the request of the President. He called the meeting to order at 7:04 p.m.
2. BOARD MEMBERS PRESENT:

President	Danny Woods
Vice President	David Phillips
Board Members	Richard Hazel, Shaun Dubois
Secretary	Angela Johnson

3. BOARD MEMBERS ABSENT: Shawn Hargett.
4. MEMBERS OF THE AUDIENCE: Kaleb Welch, Carol Russell, Heath Vaughan.
5. MINUTES FROM MARCH 19<sup>TH</sup>, 2024 were approved by each board member via email prior to the meeting.
6. APPROVAL OF MARCH 2024 FINANCIAL STATEMENTS: After brief discussion about parts inventory, system supplies, and monthly expenses in general, Shaun Dubois made a motion to approve financial statements, Richard Hazel seconded. Motion passed.
7. PRESIDENT'S REPORT:

Topic: Government Funding, COVID money
Board Discussion: 7/18/23 Danny is trying to obtain government funding. If received, the funding can offset expenses of reducing water loss. 8/15/23 No updates. 9/19/23 No updates. 10/17/23 No updates. 11/21/23 No updates. 12/19/23 No updates. 1/25/24 No updates. 2/22/24 No updates. 3/19/24 No updates. 4/18/24 No updates.
Conclusion: Danny will provide updates as he obtains information.

8. SECRETARY'S REPORT: Angela Johnson reviewed the Secretary's report.

Topic: Banking

Discussion: Cobhye Casey needs access to the Anstaff O&M online banking account to process ACH Bank Drafts. Also, Angela Johnson requested approval to be issued a debit card for the Anstaff O&M bank account.
Conclusion: Danny Woods motioned to approve Anstaff O&M online banking access for Cobhye Casey to process ACH bank drafts. Shaun Dubois seconded. Motion passed. Shaun Dubois motioned to approve Angela Johnson to be issued a debit card for the Anstaff O&M bank account.
Topic: Office Security Contract
Discussion: The ADT Security contract expired. We continue to pay a monthly fee; service is now on a month-to-month basis. Other security options will be investigated.
Conclusion: The board directed Angela to discontinue ADT service. Another security system will be investigated and installed prior to the date the current month's subscription expired.
Topic: Water User Account Over 5 Months Past Due
Discussion: One water user is past due. The account is disconnected, but not paid. Danny Woods knows this person and would like to make contact before taking it to collections or writing it off as bad debt. There was also much discussion about past due accounts and payment plans moving forward. The board agreed that current agreements are not documents that can be enforced. A document that can be enforced needs to be developed.
Conclusion: No action will be taken this month pending Danny's attempt to contact the customer. Also, Angela will prepare a more detailed payment plan document in accordance with our current policy for the board's review.

9. CLEARWATER'S REPORT: Kaleb Welch reviewed ClearWater's report. He will order parts to ensure a complete inventory. Kaleb will also submit a mileage log for reimbursement of vehicle expenses.

10. OPEN ITEMS:

Topic: Consult an Attorney about Bylaws, Official Vote
Discussion: 8/15/23 There is a question as to what constitutes a proper vote according to the bylaws. Danny wishes to consult a lawyer to determine what consists of a quorum; is it 51% of all members, of all members present, or of the Directors? This must be resolved prior to the next election of Board Members.

9/19/23 Danny will consult an attorney regarding the bylaws, specifically how to obtain the required vote.

10/17/23 Danny consulted Roger Morgan, Attorney, about the bylaws. Danny does not believe we can get the appropriate number of people for a quorum; we need approximately 253 people to vote for a quorum. Danny wants to change the bylaws to give the board the power and authority to change the bylaws. Comment was made that if you get the number of required votes to change the bylaws, then you have the appropriate number of people required for a vote; therefore, there would be no need to change the bylaws giving the board the power and authority to change the bylaws. It was also noted that giving five people complete power to change bylaws contradicts the purpose of having an association.

11/21/23 Danny presented the board with a form prepared by Mr. Roger Morgan of Sanders, Morgan, & Clarke, PLLC, Attorneys at Law. The form is a Member Proxy designation giving Brunner Hill Water Association (BHWA) Board majority the authority to cast/use the member's vote for any issue requiring a member vote over the subsequent 11 months. Danny said Mr. Morgan's recommendation is to use this form for the next election and to change the bylaws. Two Board Member seats will be open for the next election: Shaun Dubois, vice Jonathan Gibson (2 more years) and Willie Stone, vice Genny Woods (1 more year). There was a great deal of discussion: speculation as to whether or not members are likely to vote, use the proxy, or not vote; ethical ways to notify association members of the election and change to bylaws; how to get association members' responses; how to attract candidates for Board Membership; attorney's official recommendation that can be presented to board and/or association members on how to obtain valid votes that meet the requirements of the bylaws and how to change to the bylaws that would make it reasonably easy to do so.

12/19/23 Proxy Forms were sent to water users. It was noted Section XII "Amendments" of the Bylaws states they may be repealed or amended by a vote of the majority of the members present at a meeting called for that purpose; there are provisions that restrict changing the purpose, safety & security of property or funds, or fundamentally change policies of the organization as long as the state has a lean on the organization. It was noted the section appears to be part of the original bylaws and is signed by Hale Moody, President and Carolyn Sanders, Secretary-Treasurer; however, the document is not dated or notarized.

1/25/24 Danny will contact the attorney to try to determine next steps to conduct a meeting of the members, as it is not likely to have 51% of over 500 members in attendance to reach a quorum. We need to be able to elect board members and to change the bylaws to set reasonable quorum requirements.

2/22/24 Not discussed.

3/19/24 Other pressing issues previously required the full attention of the board. Moving forward, the board will focus attention to the bylaws.
4/18/24 No meeting scheduled as of yet. Shaun Dubois volunteered to schedule one.
Conclusion: Shaun Dubois will call the attorney and schedule an appointment.
Topic: Water Rates for Large Consumers
Discussion: 3/19/24 Mr. Woods has been contacted by some of our large water consumers, namely poultry farmers, regarding the cost of purchasing water from BHWA versus drilling wells. The high cost of purchasing water justifies the cost of drilling wells. To keep valued customers, the board should look at the water rates and consider commercial rates or graduated rates based on consumption. 4/18/24 The board discussed the cost to BHWA for a gallon of water vs. the cost of water for the customer in large quantities. It seems high users get water at cost. The board agreed an in-depth analysis needs to be conducted.
Conclusion: The board agreed to research the topic and conduct a study with large consumers and/or commercial consumers in mind. The decision is tabled.

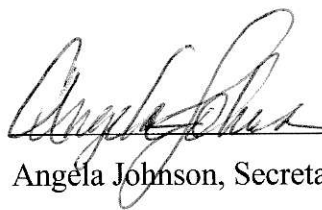
11. NEW BUSINESS: None

12. PUBLIC FORUM: Carol Russell verified that ClearWater will assume billing services using a system other than RVS. Although questions and concerns with billing must be addressed by ClearWater, Angela will be available to answer simple questions and act as a liaison if the customer desires. Carol asked about the duties of the Secretary. Angela will serve as a Bookkeeper/Accountant for the organization and will continue to be the Secretary of the Board. Carol asked how ClearWater will handle past due accounts. Heath Vaughan assured Carol that past due accounts will be handled in accordance with BHWA's policy; there is no change. Carol also wondered if ClearWater has ever taken over a water company, and if they will take over BHWA. Heath stated that Clearwater has never taken over a water company. Only the state of Arkansas has the authority to assume control and would then assign it to another organization, which would be very unlikely especially with BHWA.

13. ANNOUNCEMENTS:

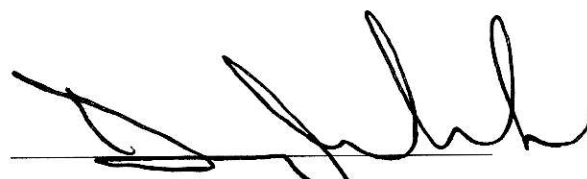
- a. The next regular meeting will be at 7:00 pm on Tuesday, May 21<sup>st</sup>, 2024, at the Water Office.

14. ADJOURNMENT: Richard Hazel motioned to adjourn; Shaun Dubois seconded. Motion passed. The meeting adjournment time was 8:37 p.m.



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Angela Johnson, Secretary



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Danny Woods, Board President

# SECRETARY'S REPORT

APRIL 2024

## Operational Updates / Issues

- Sanitary Survey completed 3/28. Have due-outs.
  - Long-range plan.
  - Emergency plan update.
  - Dates tanks were painted.
  - Next tank inspection due first quarter 2025.
- Working with Cobhye to hand over billing effective 4/26.
  - Cobhye needs access to O&M online account to process ACH bank drafts.
- I've acquired access to Banking.
  - Need a credit or debit card to order office supplies, maintain QB subscription, ADT subscription.
- Verify intent for Rate Study, due July 1, 2025.
- Tax – do we pay the voluntary \$15 for animal control?
- ADT contract expired 4/11/2024. Continue or explore options?
- Two accounts with balance due > 5 months.
- Priority. Reconcile 2023 files and submit them to CPA for audit.
- Mari Ruegsegger, with the Fire Department, is working on an information consolidation project. Do we have a list of hydrant locations?

# CLEARWATER REPORT

APRIL 2024

## Operational Updates

- Spray and weed eat around hydrants. Painted the ones on Rodney Cutoff and Dolph Cutoff.
- Weed eat around blowoffs.
- Tank level target on Dolph tank needs to be fixed.
- 507 Active accounts:
  - New meter for Cox
  - Disconnected meter for Korbelik
- Completed work orders: 18 since last meeting/ 60 year to date
- Completed line locates: 5 (+3) since last meeting/ 30 year to date
- Reading meters ~~March~~ 23-29. APRIL
- Completed an inventory of supplies.

BRUNNER HILL WATER ASSOCIATION

SIGN-IN SHEET FOR BOARD MEETING: DATE 4/18/24

SIGN NAME:

PRINT NAME:

1. [Signature]

2. Carol Russell

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Kate Wel

Carol Russell

Heath Vaughan

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