

BRUNNER HILL WATER ASSOCIATION  
 BOARD OF DIRECTORS MEETING MINUTES  
 Tuesday, May 20, 2025

1. The President, Danny Woods called the meeting to order at 7:00 p.m.

2. BOARD MEMBERS PRESENT:

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

3. BOARD MEMBERS ABSENT: Shawn Hargett

4. MEMBERS OF THE AUDIENCE: None

5. MINUTES FROM MARCH 18, 2025: David Phillips motioned to approve the minutes; Richard Hazel seconded. Motion passed.

6. APPROVAL OF MARCH & APRIL 2025 FINANCIAL STATEMENTS: Shaun Dubois motioned to approve the financials; Richard Hazel seconded. Motion passed.

7. PRESIDENT’S REPORT: Danny discussed the topics listed below and then reported on the executive session held in April, see attached report of minutes. Richard Hazel motioned to approve the report; Danny Woods seconded. Motion carried.

Topic: Compensation for Kris Kanatzar’s work - wages
Discussion: Danny reported that Kris had specific requests about being compensated for his time. Danny spoke with the lawyer about Kris’ requests and concerns. Kris asks for a truck and will work to pay off its value. The board agreed to Kris’ request, provided we have a signed Promissory Note and that BHWA is listed as the lien holder on all title work and insurance documents.
Conclusion: Dave Phillips proposed to purchase the truck, with the lawyer’s okay and official financial documentation in place, and to allow Kris to work off the value; and further that regardless of compensation, Kris’ earnings will be reported on a 1099 at the end of the tax year. Richard Hazel seconded; the motion passed.
Topic: Water Line on Jordan Road
Discussion: Following a One Call, the water line on Jordan Road was mismarked by 20-30 feet. A contractor started excavating and hit our water line. The line did not break, but it was exposed. The contractor was very aggravated and wants compensation for damages, lost time, and any other expense that was incurred by

<p>the mismarked line. Danny believes the purpose of the One Call is to relieve the person digging from liability if a line is hit, not the other way around. Regardless, Danny would like to keep the goodwill of the contractor and is willing to donate a reasonable amount of gravel, up to 15-20 loads, if BHWA is willing to pay the cost of hauling it to the site. Cost will involve fuel and driver's wages for the dump truck.</p>
<p>Conclusion: All members present agreed and approved of the goodwill gesture. Danny will contact the contractor to determine what amount of gravel is satisfactory. If the amount is satisfactory to both, BHWA will pay the cost of transporting the gravel.</p>

8. FIELD TECHNICIAN'S REPORT: Angela briefly reviewed the report. Board members present directed to repair equipment, if possible; then, upgrades or replacements will be considered.

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

<p>Topic: Handheld Devices for Water Meter Reading</p>
<p>Discussion: Candace is researching solution to having a handheld device for the meter readers. The current devices are incompatible with the new billing software. Candace has contacted multiple companies that offer solutions; however, as of right now, all of those she has corresponded with discontinued manual entry handheld devices at least 15 years ago. All have moved toward radio – drive by readers. She is also researching other options. As of today, we have no solution.</p>
<p>Conclusion: None</p>
<p>Topic: Accounts with issues: those disconnected by ClearWater; those who have requested adjustment/write-off; and one with an extremely high balance due.</p>
<p>Discussion: Each account was discussed individually. Some requests to write-off a specific amount were approved. Some accounts will go to collections. One customer must provide a certified letter from a master plumber indicating a leak-free structure to have water restored.</p>
<p>Conclusion: Danny will make some calls to investigate the status of a few accounts. Angela will ensure appropriate administrative actions are taken.</p>

10. OPEN ITEMS:

<p>Topic: Consult an Attorney about Bylaws, Official Vote</p>
<p>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</p>

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 on the bylaws.
- 4/18/24 No meeting scheduled as of yet. Shaun Dubois volunteered to schedule one.
- 5/23/24 After consultation with the attorney, a proxy statement was developed and will be mailed out to the customers with a letter explaining the board's intent. The recommended change will establish a quorum to be 35 votes, rather than requiring 51% of the membership. Proxy statements returned will be verified against the bylaws and the active members. Proxy statements are not required to be notarized. David Phillips motioned to approve the Proxy Form as presented. Shaun Dubois seconded. Motion passed.
- 6/18/24 Mailings went out. Over 30 have already been returned to the water office. Others have been left at Woods Feed & Farm Supply and at Jordan Grocery Store.
- 7/23/24 Proxy forms are due on Friday, August 9<sup>th</sup>. Angela will qualify them prior to the meeting. David and Angela will develop a way to quickly qualify and count members who show up at the meeting. Several people have asked Danny questions regarding the Proxy Form and about conducting an election after the bylaws are changed. If enough votes are received to approve the change to the bylaws, the change must be ratified by our government lien holders. Therefore, an election cannot be held during the next meeting, even if the change is voted in.
- 8/20/24 81 Proxy forms were returned, and 16 ballots were collected, thus we had 97 participants at the general meeting held immediately before this meeting. A quorum was not attained; we need participation from 264 people.
- 9/17/24 Danny will schedule a meeting with the attorney. He apologized for not being able to schedule one prior to this meeting. Mary Edwards made a proposal, noting that the board has done its due diligence to resolve the impossible task of attaining a quorum to vote on changing the definition of a quorum, that a one-time bypass of the bylaws be considered to conduct business as it had been done in the past, that we hold a meeting to change the definition of the quorum and allow the attending members to vote on the matter.
- 10/15/24 Danny scheduled an appointment with the attorney for October 28<sup>th</sup> at 10:00 am. Potentially updating the Bylaws as a whole rather than piecemealing it, was discussed. The bylaws are generic, antiquated, and impossible to follow. If we draft up new bylaws, we can present them to the general membership for review and comment; and then hold a general membership meeting the very next month.
- 12/17/2024 Danny and David met with the attorney who provided a legal opinion against a one-time exemption to the bylaws to change the bylaws without a quorum present to vote. The attorney also said to legally change the bylaws, each member must be legally served with a potential cost upwards of \$50 per member

<p>plus court costs (over \$35,000). Then the matter would be presented to a judge who could agree to the change, disapprove the change, or order that the water system be turned over to the state.</p> <p>1/21/25 The board agreed that one more effort to obtain a quorum using proxy forms is worthwhile. Getting participating members involved to reach out to other members may increase our chances of obtaining a forum.</p> <p>2/25/25 Danny and Dave met with the attorney who provided a legal opinion in support of actively attempting to have members assign a person as their proxy if they do not intend to attend a membership meeting, during which amending the definition of a quorum will again be presented.</p> <p>3/18/25 Tabled until the Water Operator issue is resolved.</p>
<p>Conclusion: No action at this time</p>
<p>Topic: New Roof for Water Office</p>
<p>Discussion:</p> <p>2/25/25 Angela presented the two bids that were received for roof replacement, one from Mountain View and one from Mountain Home. Danny identified a couple of people who are local that we can also call to obtain bids from.</p> <p>3/18/25 Two local gentlemen were asked to provide bids, however, no further bids were received.</p> <p>5/20/25 Angela tried to contact Storm Sheild three times to obtain and accept their proposal; however, they never responded over the past two months. In the meantime, a local contractor, Danny Sanders, submitted a similar bid, which was accepted. Roof replacement is complete.</p>
<p>Conclusion: The roof replacement was completed on 5/19/2025. Angela cut him a check.</p>

11. NEW BUSINESS: In addition to the discussions below, the long-range plan was reviewed and accepted.

<p>Topic: 2024 Consumer Confidence Report (CCR)</p>
<p>Discussion: The CCR is received and posted to our homepage. A note will go out on June's bill.</p>
<p>Conclusion: Angela will report back to the state upon completion of billing that all members were notified of the CCR.</p>
<p>Topic: Rate Study Results &amp; Rate Schedule Update</p>
<p>Discussion: The mandatory rate study is complete. The initial response required immediate rate increases; however, we requested that they reconsider the recommendation because our accounts &amp; loans are in good standing, and for the past couple of years, we've paid significant additional payments on loans to</p>

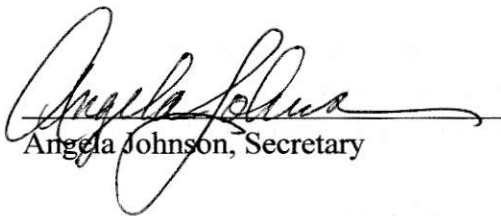
reduce debt. The response to our request allowed BHWA until the end of 2025 before increasing rates (each year) to accommodate inflation. It was noted that rates have not increased since 2019 despite the escalated inflation, especially for goods and labor, over the past few years. Rate increases will not only satisfy the requirements of the rate study but will ensure BHWA is able to accommodate rising inflation.

Conclusion: The board of directors will increase rates that will be effective January 2025, see attached Rate Schedule.

12. PUBLIC FORUM: No comments.

13. ANNOUNCEMENTS: The next board meeting is scheduled for 7:00 pm on Tuesday, June 17<sup>th</sup>, at the water office and the office will be closed on Memorial Day.

14. ADJOURNMENT: Richard Hazel motioned to adjourn the meeting. Dave Phillips seconded; motion carried. The meeting adjourned at 9:07 pm.



Angela Johnson, Secretary



Danny Woods, Board President