

BRUNNER HILL WATER ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Thursday, May 23rd, 2024

1. The President, Danny Woods 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, Shawn Hargett
Secretary	Angela Johnson

3. BOARD MEMBERS ABSENT: None.

4. MEMBERS OF THE AUDIENCE: Kaleb Welch and Heath Vaughan.

5. MINUTES FROM April 18th, 2024 were approved by four board members via email prior to the meeting.

6. APPROVAL OF APRIL 2024 FINANCIAL STATEMENTS: Approval is deferred pending resolution of discrepancy between Profit and Loss Statement and Budget vs. Actuals statement. The difference was due to loan payments entered into QuickBooks in advance.

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. 5/23/24 The board determined not to pursue government funded COVID money.
Conclusion: This item is closed.

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

Topic: Wind Damage
Discussion: The office sustained wind damage to the flagpole and door awning.
Conclusion: Angela will call someone to make repairs
Topic: Office Security Contract
Discussion: 4/18/24 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. 5/23/24 The board briefly discussed security and insurance concerns. Danny and Dave met with a security company and conducted a site visit; we are awaiting the bid.
Conclusion: Angela will email a copy of the current insurance policy to the board members.
Topic: Business Credit Cards for Shelly McFall & Theodore Applegate
Discussion: Angela called Simmons Bank to cancel credit cards for former employees, Shelly McFall & Theodore Applegate. Angela is not an authorized agent according to Simmons bank. Simmons bank emailed the form required to close the cards.
Conclusion: Angela will email the completed form signed by, Danny Woods, the President of the Board, to close the credit cards. If there are any questions, the minutes from this meeting will be sent as another form of authorization.

9. CLEARWATER'S REPORT: Kaleb Welch reviewed ClearWater's report. The system has experienced a few leaks, one huge leak in particular, is due to a lightning strike. After repairs, Kaleb flushed the system for several days to clear the water. We are looking at double the number of gallons flushed for the month of May. Kaleb also verified that BHWA will install ¾" meters with \$700 cost to customers unless a bore is required, then the customer would also be responsible for the cost of the bore.

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.
5/23/24 After a 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.
Conclusion: Angela will work with Dave to prepare a letter to be mailed with the proxy form by the end of May.
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. our charge to consumers who use water in large quantities. It seems high users get water at cost. The board agreed an in-depth analysis needs to be conducted. 5/23/24 The board again discussed the cost to BHWA for a gallon of water vs. our charge to consumers who use water in large quantities, and whether or not it is in the best interest of BHWA to adjust the rate structure for high water users. The request to consider adjusting rate structure comes from an industry that consumes water in high amounts only a few months of the year. No decisions were made; no tasks were assigned.
Conclusion: The topic is tabled.

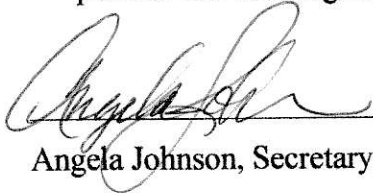

11. NEW BUSINESS: None

12. PUBLIC FORUM: None

13. ANNOUNCEMENTS:

- a. The next regular meeting will be at 7:00 pm on Tuesday, June 18th, 2024, at the Water Office.

14. ADJOURNMENT: Richard Hazel motioned to adjourn; David Phillips seconded. Motion passed. The meeting adjournment time was 8:59 p.m.


Angela Johnson, Secretary
Danny Woods, Board President