

BRUNNER HILL WATER ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Tuesday, June 18th, 2024

1. The Vice President, David Phillips called the meeting to order at 7:05 p.m.

2. BOARD MEMBERS PRESENT:

President	Danny Woods
Vice President	David Phillips
Board Members	Richard Hazel, Shawn Hargett
Secretary	Angela Johnson

3. BOARD MEMBERS ABSENT: Shaun Dubois.

4. MEMBERS OF THE AUDIENCE: Kaleb Welch and Heath Vaughan from ClearWater Utility Management Services, LLC; and Carol Russell, Jeff Berry, Carol Lee, and Rich Geib.

5. MINUTES FROM MAY 3RD, 2024: Danny Woods motioned to approve the minutes as written; Richard Hazel seconded. Motion passed.

6. APPROVAL OF APRIL AND MAY 2024 FINANCIAL STATEMENTS: Danny Woods motioned to approve the financials; Richard Hazel seconded. Motion passed.

7. PRESIDENT'S REPORT: No issues to report.

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

Topic: Wind Damage
Discussion: 5/23/24 The office sustained wind damage to the flagpole and door awning. Angela will call someone to make repairs. 6/18/24 Angela contacted a gentleman to provide a bid for the repair of the awning. We are waiting for him to conduct a site visit.
Conclusion: Angela will follow up.
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. 6/18/24 The security company has yet to submit a bid.
Conclusion: Danny will follow up with the security company.

Topic: Date of July's Board Meeting

Discussion: Angela's family is planning a vacation for the week of July's board meeting, a time-frame that best fits her family members' work schedules. Also, bank statements are rarely received by mid-month to reconcile statements and prepare financial statements. Angela requested the meeting be rescheduled to July 23rd, 2024. Board members agreed to the meeting date and discussed how the issue can be addressed for future meetings.

Conclusion: Angela will post change to July's meeting date and the dates of the office closure. ClearWater will address any customer service issues.

9. CLEARWATER'S REPORT: Kaleb Welch reviewed ClearWater's report. Kaleb completed one meter tap and found two small leaks: one at Rodney Presbyterian Church and one on Stephens Road. He will read meters June 24-28.

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 on 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.

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.

Conclusion: Proxy Forms are due on August 9th and will be qualified to verify the number of authorized votes. The special meeting for the general membership will be held August 20th, same date as the regularly scheduled board meeting. Angela will try to reserve the Rodney/Jordan Fire Station.

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 until the end of the year.

11. NEW BUSINESS:

Topic: Customer Service Policy

Discussion: The Customer Service Policy is not specific about fees. Fees are relatively low in comparison to the rest of the country and have not risen with recent inflation. The policy should delineate fees. The board will consider fee increases.

Conclusion: Dave Phillips will work with Angela Johnson to prepare a draft update to the policy that clarifies and lists fees. The draft policy will be presented for the board's consideration at the July meeting.

12. PUBLIC FORUM:

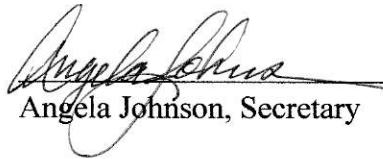
- a. Carol Russell had several questions. She inquired about who recommended ClearWater's services. Dave Phillips answered, Shaun Dubois contacted the state to obtain information about repercussions of losing the licensed water operator. It was the point of contact at the state who pointed out that contracting a utility management service would be a viable option. The board then investigated references and conducted a financial analysis. The board's decision was unanimously approved. Carol also asked if contract continuation was automatic. Heath answered, the contract specifies that a 90-day notice is required prior to cancellation. Carol also asked for clarification about reasons for previously disclosed personnel actions pertaining to former employees. While disclosing results of a personnel action is appropriate, disclosing specific details about a personnel action are not appropriate.
- b. Jeff Berry asked for clarification on the Proxy Form. Dave Phillips clarified the reason for the requested change to the bylaws, and thus we requested members sign the proxy form in an effort to get enough votes to make the change to the bylaws. This change

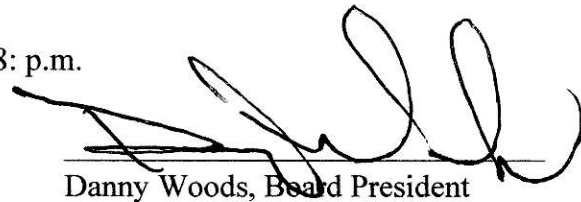
will then in turn allow us to hold an official general membership meeting. The special meeting for general membership to amend the amend the bylaws will be held on August 30th. Then another general meeting to elect board members and to address any other business appropriate to a general meeting will be held at a later date.

13. ANNOUNCEMENTS:

- a. The next regular meeting will be at 7:00 pm on Tuesday, July 23rd, 2024, at the Water Office.
- b. The office will be closed July 17-19.

14. ADJOURNMENT: The meeting adjourned at 8: p.m.


Angela Johnson, Secretary


Danny Woods, Board President

BRUNNER HILL WATER ASSOCIATION

SIGN-IN SHEET FOR BOARD MEETING: DATE 6/18/2024

SIGN NAME:

PRINT NAME:

1. Carol Russell

Carol Russell

2. JEFF BERRY

3. Carol Lee

CAROL LEE

4. Rich

RICH GEIB

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