

BRUNNER HILL WATER ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Tuesday, January 21, 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	Richard Hazel, Shawn Hargett
Secretary	Angela Johnson

3. BOARD MEMBERS ABSENT: Shaun Dubois

4. MEMBERS OF THE AUDIENCE: Jourdan Sanders, BHWA Secretary.

5. MINUTES FROM DECEMBER 17, 2024 and JANUARY 4, 2025: David Phillips motioned to approve the minutes; Richard Hazel seconded. Motion passed.

6. APPROVAL OF DECEMBER 2024 FINANCIAL STATEMENTS: 2024 Balance Sheet and Profit & Loss reports were reviewed. David Phillips motioned to approve the financials; Richard Hazel seconded. Motion passed.

7. CLEARWATER’S REPORT: There was no representative from ClearWater present at the board meeting.

Topic: Water System Development and Growth
Discussion: 10/15/24 Physically connecting the Jordan system with the Norfolk system to back each other up was mentioned. Shawn Hargett recommended installing two meters, to measure water use each way. Cory McFall is Norfolk’s Water Operator. Shawn will contact Cory to determine level of interest in connecting systems. Connection with Norfolk’s water system would also aid in providing water service to those who live on Hopewell Hollow. There was also discussion about fire hydrants. Tina with the fire department requesting information pertaining the cost of adding a fire hydrant to the system, specifically at the end of the road in the Jordan Hills neighborhood. We might invite Tina to the next board meeting. And, if any type of development or growth is considered, grants should also be researched; Tina may be willing to assist with the request. David Phillips motioned that BHWA pursue connection with the Norfolk Water System. Shaun Dubois seconded; motion passed.

12/17/24 The board asked if estimates were obtained on the hydrants. Heath was not aware of the hydrant cost request. He noted that the line must be at least 4-inch (preferably 6-inch) to install a hydrant. No further information was provided regarding connection with Norfolk Water System.
1/21/25 Heath was not present to provide an update.
Conclusion: Heath will obtain a cost estimate of installing a hydrant.
Topic: Open Work Orders
Several (5) open work orders dating back to November 2024 were discussed. There are no known outstanding issues that would prevent ClearWater from performing the requested work orders. Other concerns were mentioned, such as the frequency of well readings, a desire for a local service representative on site, and continuance of service agreement.
Conclusion: Dave Phillips will contact Heath to inquire as to the status of the work orders.

- 8. SECRETARY’S REPORT: Angela Johnson reviewed the only item on the Secretary’s report, which was the reporting requirements to the USDA.
- 9. 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.

7/23/24 Proxy forms are due on Friday, August 9th. 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 28th 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 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.

1/21/25 The board agreed that one more effort to obtain a quorum using proxy forms is worthwhile. Getting participating members involved to reaching out to other members may increase our chances of obtaining a forum.

Conclusion: Consult the lawyer regarding options and ideas.

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

<p>drilling wells. To keep valued customers, the board should look at the water rates and consider commercial rates or graduated rates based on consumption.</p> <p>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.</p> <p>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 for only a few months of the year. The board did not make a decision; no tasks were assigned.</p> <p>6/18/24 No discussion</p> <p>7/23/24 Brief discussion about data that is needed at the end of the year to make this determination. The inclusion of revenue in the Cost of Water report may help determine our margin for rates.</p> <p>8/20/24 No discussion.</p> <p>9/17/24 No discussion.</p> <p>10/15/24 No discussion.</p> <p>12/17/24 No discussion.</p> <p>1/21/25 The customers who inquired about adjusting rates have made other arrangements for their water needs.</p> <p>Conclusion: This is a now a non-issue; item is closed.</p>
<p>Topic: Lock Blowoff's</p>
<p>Discussion:</p> <p>10/15/24 In continued efforts to prevent unauthorized use of water, Shawn Hargett recommended locking the blowoffs. We have a large number of blowoffs. Kaleb visited with Heath about efficient methods and products to lock meters and/or blowoffs. Heath recommended using barrel locks; they are less expensive than a padlock and all of them need only one key.</p> <p>12/17/24 Kaleb did not complete this task while employed with ClearWater. Heath was asked to follow up.</p> <p>1/21/25 Heath was not present to provide an update.</p>
<p>Conclusion: Heath will follow up.</p>


10. NEW BUSINESS:

<p>Topic: Results of Executive Session</p>
<p>Discussion: Results of the executive session held after the 12/17/24 board meeting were reported. Items discussed were staffing schedules; annual reviews; and a</p>

\$250 holiday bonus and a \$1.00 per hour raise for each Angela Johnson and Jourdan Sanders.
Conclusion: No action.

- 11. PRESIDENT'S REPORT: No further issues to discuss.
- 12. PUBLIC FORUM: No comments from the public.
- 13. ANNOUNCEMENTS: The next board meeting is scheduled for 7:00 pm on Tuesday, February 18th, at the water office.
- 14. ADJOURNMENT: Richard Hazel motioned to adjourn the meeting. Shawn Hargett seconded; motion carried. The meeting adjourned at 7:52 pm.


Angela Johnson, Secretary


Danny Woods, Board President