

BRUNNER HILL WATER ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Tuesday, February 25, 2025

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	Shaun Dubois
Secretary	Angela Johnson

3. BOARD MEMBERS ABSENT: Shawn Hargett, Richard Hazel

4. MEMBERS OF THE AUDIENCE: None

5. MINUTES FROM JANUARY 21, 2025: David Phillips motioned to approve the minutes; Shaun Dubois seconded. Motion passed.

6. APPROVAL OF JANUARY 2025 FINANCIAL STATEMENTS: January was a good month financially. The Balance Sheet does not list all of BHWA's assets. Discussion also covered the fact that Danny and Dave found that one of the generators was not in working condition. Danny took the time to ensure it was repaired. We were luck not to have frozen pipes during the recent cold spell. David Phillips motioned to approve the financials with the caveat that all the assets must be accounted for on the Balance Sheet; Shaun Dubois 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

<p>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.</p> <p>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.</p> <p>1/21/25 Heath was not present to provide an update.</p> <p>2/25/25 Heath was not present to provide an update. Those present commented on lack of representation at recent meetings and discussed shortfalls in the service they are contracted to provide. A letter noting the deficiencies and stating desired changes in service agreement was delivered on February 14, 2025; ClearWater has 30 days to respond.</p>
Conclusion: No action until after March 15, 2025
Topic: Open Work Orders
<p>1/21/2025 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.</p> <p>2/25/2025 See above topic.</p>
Conclusion: See above topic
Topic: Lock Blowoffs
<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 padlocks 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>2/25/2025 See above topics.</p>
Conclusion: See above topics.

8. SECRETARY'S REPORT: Angela Johnson reviewed the Secretary's report. Those present reviewed the rate study request that was submitted to ARWA.

Topic: Inactive Meters
Discussion: Upon contacting inactive water users to obtain a current mailing address, Angela came across a person who wished that we keep a meter at their property "in case" they wanted water in the future. Angela asked for guidance.
Conclusion: Customers with inactive accounts can have their accounts turned on and pay the monthly bill or we will pull the meters.
Topic: Billing Software
Discussion: Angela and Jourdan have been investigating utility billing software. Quotes range from \$2850 for initial set up and first year's subscription and \$800 subsequent annual maintenance from Redline, which is less than our current, to \$20,000 for initial set up and \$13,000 annually.
Conclusion: Danny Woods motioned that we purchase software services from Redline; Shaun Dubois seconded. Motion carried.
Topic: Door Locks
Discussion: Angela reported that she misplaced her keys and requested permission to install keyless entry lock on the water office. This reminded Danny that there are no locks on the well houses causing a huge liability and security risk.
Conclusion: Angela and/or Jourdan will order keyless entry locks for the three locations.

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 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 reach out to other members may increase our chances of obtaining a forum.
- 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.

Conclusion: No action at this time

Topic: AR Dept of Health Compliance
Discussion: Agenda item not discussed.
Conclusion: Remove from agenda. Will put back on the agenda at a later date if necessary.

10. NEW BUSINESS:

Topic: New Roof for Water Office
Discussion: 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.
Conclusion: Item is tabled until we contact the two local people for an opportunity to bid on the project.
Topic: Results of Executive Session
Discussion: Results of the executive session held after the 1/21/2025 board meeting were reported. Items discussed were outstanding issues and work orders with ClearWater and options regarding hiring a new staff member. Actions taken were to notify ClearWater in writing and to interview Scott Woods. The board members also discussed bringing Scott onboard as soon as possible to start working on general projects.
Conclusion: Scott Woods will be offered full-time employment at \$20 per hour.

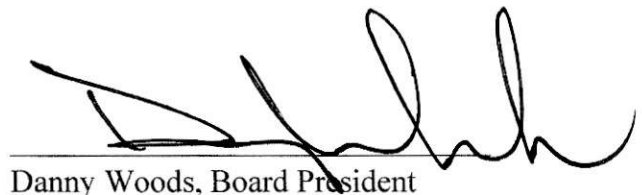
11. PRESIDENT'S REPORT: No further issues to discuss.

12. PUBLIC FORUM: No comments from the public.

13. ANNOUNCEMENTS: The next board meeting is scheduled for 7:00 pm on Tuesday, March 18th, at the water office.

14. ADJOURNMENT: Shaun Dubois motioned to adjourn the meeting. David Phillips seconded; motion carried. The meeting adjourned at 7:55 pm.


Angela Johnson, Secretary


Danny Woods, Board President