

BRUNNER HILL WATER ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Tuesday, July 15, 2025

1. The Vice President, David Phillips, conducting the meeting for Danny, 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 (arrived at 7:02)
Secretary	Angela Johnson

3. BOARD MEMBERS ABSENT: Shaun Dubois

4. MEMBERS OF THE AUDIENCE: Jeff Berry

5. MINUTES FROM JUNE 17, 2025: Richard Hazel motioned to approve the minutes; Danny Woods seconded. Motion passed.

6. APPROVAL OF JUNE 2025 FINANCIAL STATEMENTS: There was discussion about paying for large projects/repairs from System Improvement. David Phillips motioned to reallocate \$15,000 from System Improvement to O&M to cover the cost of weather-related repairs. Shawn Hargett seconded. Motion passed. Richard Hazel motioned to approve the financials; Danny Woods seconded. Motion passed.

7. PRESIDENT'S REPORT: Danny discussed the topics listed below.

Topic: Water Line on Jordan Road
Discussion: 5/20/25 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 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. 6/17/25 During the public forum, the guests asked about this topic. Jesse explained the line was dug up while he was trying to prep for a cement pad. Now, he no longer has access to the dirt, as planned after the line was marked. He also noted his monetary investment in this project. Jesse would like some form of restitution for the mis-marked line. Danny believes we mark the line to relieve the customer of liability should the line be broken, not the other way around. Danny also explained, according to his knowledge and experience, that even if we provided the amount of dirt Jesse no longer has access to, the project would require so much dirt the project might not be possible to complete. Jesse

<p>agreed to have the property surveilled and the project evaluated. Jesse will report back to Danny.</p> <p>7/17/2025 No update.</p>
<p>Conclusion: All members who were present like the idea of the goodwill gesture of Danny donating dirt and BHWA paying for the cost of hauling the dirt to the property, provided a specific and reasonable number of loads are agreed upon in advance. Once Jesse reports back to Danny, the Board will revisit the topic.</p>
<p>Topic: Personnel Changes</p>
<p>Discussion: Danny informed those present that Gerry Lance is hired as the new Superintendent and Licensed Water Operator; Cody Bowers no longer works for BHWA; and Kris still assisting us. We will hire another individual as a Field Technician. Discussion also turned to keys and equipment that go missing every time a person's employment ends. The board will consider changing the personnel policy to indicate the final paycheck will be held until all BHWA keys and equipment are returned.</p>
<p>Conclusion: The task of selecting a new employee will be left to Gerry.</p>
<p>Topic: Rifle Raffle</p>
<p>Discussion: Danny offered to donate a rifle to raffle. BHWA can use the proceeds to purchase new equipment. Details are still to be determined tickets will likely be limited to 500 tickets at \$20 per ticket. Danny will obtain pictures of the gun(s) that the winner may choose from.</p>
<p>Conclusion: The Board gratefully accepted the offer.</p>

8. FIELD TECHNICIAN'S REPORT: Angela informed the board that the Duramax will be picked up the following morning; Gerry and Kris will begin reading meters Monday, July 21st; and Gerry plans to attend the ARWA Annual Technical Conference.
9. SECRETARY'S REPORT: Angela Johnson reviewed the Secretary's report. Angela provided the tank inspection reports and reviewed the actions taken regarding state notifications; status of payment plans; customer complaints, and status of the budget.
10. OPEN ITEMS:

<p>Topic: Consult an Attorney about Bylaws, Official Vote</p>
<p>Discussion:</p> <p>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.</p> <p>9/19/23 Danny will consult an attorney regarding the bylaws, specifically how to obtain the required vote.</p> <p>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</p>

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.

3/18/25 Tabled until the Water Operator issue is resolved.

Conclusion: No action at this time

Topic: ARWA – Public Water System

Discussion:

6/17/25 This is a topic Shawn Hargett wanted to discuss. He was unable to attend.


7/15/25 Shawn briefly discussed the potential to change from an association to a public water authority. Gerry also discussed the option to other board members. The change would open opportunities for reduced cost equipment and employee benefits. The board

heard a recommendation to hold a Town Hall meeting with the members to discuss this opportunity.
Conclusion: Gerry will be encouraged to help the organization investigate the possibility
Topic: Metron meters and drive-by meter reading
Discussion: 6/17/25 Metron provided BHWA with a bid on the cost of a radio meter monitoring system, as well as the cost of meters. Metron also provided bullet points as to how changing to this system would benefit BHWA and would be a solution to our search for hand-held manual entry meter reading devices. The President and Vice President are amiable to visiting with the Metron sales representative. 7/15/25 An order has been placed with Metron for the system and 50 meters.
Conclusion: The first order is placed; no other updates.
Topic: Proposed subdivision on Jordan Cutoff
Discussion: 6/17/25 We need to get pricing to Andy Pool regarding the cost of supplies he will need to install line in the subdivision. Also, there is no requirement from the Arkansas Department of Engineering to provide an engineering report to the state. However, they recommend that Andy contact the County Sanitarian for sewage disposal guidance. 7/15/25 No updates.
Conclusion: Ensure Andy Pool is contacted regarding the cost of supplies.

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

Topic: Signature authority and debit cards for Anstaff Bank accounts.
Discussion: As the Superintendent, Gerry should have access and authority to see and manage bank accounts and have a debit card. As a secretary who processes invoices and financial reports, Candace should have access and authority to see and manage bank accounts and have a debit card.
Conclusion: Danny Woods motioned to list both Gerry Lance and Candace Nielsen on all Anstaff Bank accounts and to issue debit cards from O&M for both. Shawn Hargett seconded the motion. Motion passed.
Topic: Candace's probationary period ends on August 1 st .
Discussion: All reports of Candace's performance, behavior, dependability, and integrity are favorable.
Conclusion: Dave Phillips motioned to increase Candace's pay by \$1.00 per hour. Richard Hazel seconded. Motion carried.

12. PUBLIC FORUM: Jeff Berry introduced himself as a fairly new member to the community. He is involved with one of the local fire departments. He is interested in future plans of the water association, previously hearing rumors about transitioning to a public water authority.
13. ANNOUNCEMENTS: The next board meeting is scheduled for 7:00 pm on Tuesday, July 15th, at the water office and the office will be closed on Independence Day.
14. ADJOURNMENT: Richard Hazel motioned to adjourn the meeting. Dave Phillips seconded; motion carried. The meeting adjourned at 8:28 pm.


Angela Johnson, Secretary
Danny Woods, Board President

BRUNNER HILL WATER ASSOCIATION
BOARD MEETING GUESTS

DATE: 7/15/2025

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1	JEFF BERRY	JA Berry	
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