

BRUNNER HILL WATER ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Tuesday, August 19, 2025

1. The Board President, Danny Woods, called the meeting to order at 7:01 p.m.

2. BOARD MEMBERS PRESENT:

President	Danny Woods
Vice President	David Phillips
Board Members	Richard Hazel, Shaun Dubois
Secretary – non-voting	Angela Johnson
Superintendent – report only	Gerry Lance

3. BOARD MEMBERS ABSENT: Shawn Hargett

4. MEMBERS OF THE AUDIENCE: Jeff Berry

5. MINUTES FROM JULY 15, 2025: Richard Hazel motioned to approve the minutes; Shaun Dubois seconded. Motion passed.

6. APPROVAL OF JULY 2025 FINANCIAL STATEMENTS: There was discussion about fluctuations in revenue. Last month our former employee estimated several readings which caused billing adjustments when we researched and corrected the issues. We are looking at a few dozen customers who were affected. David Phillips motioned to approve the financial statements; Shaun Dubois 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>7/15/25 No update.</p> <p>8/19/25 No update. Due to the lack of response from Wes Hellums or from Jesse Hance, the board assumes a survey was conducted of the building site and determined that it is not a viable location.</p>
<p>Conclusion: BHWA will take one load of fill-dirt to cover up the water main. The item is closed unless Wes Hellums or Jesse Hance contact Danny with survey information, at which time the topic can be reopened.</p>
<p>Topic: Personnel Changes</p>
<p>Discussion:</p> <p>7/15/25 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 is 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>8/19/25 Gerry Lance selected a new Field Technician, Lucas Bockstahler, who starts work on Thursday, August 21, 2025. He is young, strong, and ready to work.</p>
<p>Conclusion: This item is closed</p>
<p>Topic: Rifle Raffle</p>
<p>Discussion:</p> <p>7/15/25 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>8/19/25 Flyers are up and tickets are on sale! 500 tickets total will be sold at \$20 each. Proceeds will go toward a new-used backhoe. The board also discussed the method BHWA will use to sell the current tractor with backhoe attachment. The 18-foot trailer will also be sold, with proceeds to help pay for a backhoe.</p>
<p>Conclusion: The board members present unanimously approved efforts to search for and purchase a used backhoe that meets the needs of the organization.</p>
<p>Topic: Late Fees</p>
<p>Discussion: Outgoing bills and incoming payments mailed through the US Postal Service are taking over a week to arrive, which means many of our members are incurring late fees. Due to the number of complaints, it may be wise to offer a one-time forgiveness of late fees for customers who find themselves in this situation, especially if they agree to change their method of payment to ACH Bank Draft or Auto-Pay online. Discussion also turned to the new practice of removing late fees for automated checks that are dated before the due date. This practice will be terminated, as this creates a precedence for</p>

making exceptions to the fact that payment is due to be 'received' by the 15 th of the month.
Conclusion: Late fees will no longer be reversed for automated checks. And, customers could get a one-time reversal for late mail, especially if they change to an automated payment.

8. **FIELD TECHNICIAN'S REPORT:** Gerry reviewed the Superintendent's Report. Equipment continues to hinder progress. In addition to the backhoe, the F150 is limping along with over 300,000 miles and the wheel bearings are going out. Gerry also emphasized that he and Kris found and fixed 7 leaks. Gerry also asked what brand of meters to purchase that can later be fitted with AMR devices if/when we begin converting to radio drive-by reading; he was authority to make the decision.
9. **SECRETARY'S REPORT:** Angela Johnson presented an updated personnel policy that states an employee's final check will be held until all BHWA property is returned. Updated position descriptions were also reviewed. Richard Hazel motioned that to approve the BHWA Personnel Policy; Shaun Dubois seconded. The motion passed.
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 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.

8/19/25 The Water Operator issue is resolved. However, this topic will be "fixed" when the association coverts to a public water authority and is therefore incorporated into the topic below "ARWA-Public Water Authority"

Conclusion: This topic is closed. If the conversion to a public water authority, the topic can be reopened.

Topic: ARWA – Public Water Authority

Discussion:

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

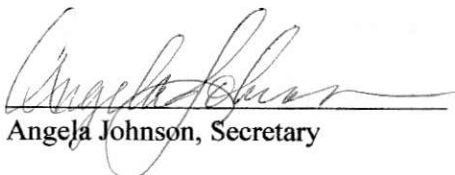
7/15/25 Shawn briefly discussed the potential to change from an association to a public water authority. Gerry also discussed the option to other board members. The change would open opportunities for reduced cost equipment and employee benefits. The board heard a recommendation to hold a Town Hall meeting with the members to discuss this opportunity.

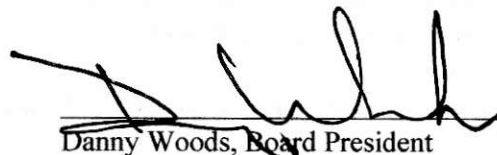
8/19/25 Gerry reported that he is still awaiting revised documents from the ARWA lawyer, which include revised Bylaws that will fix the issues revolving around elections and a reasonably attainable quorum. Once we receive the documents, they will be presented to our attorney to determine if we need to have a board member or a general membership vote. Danny suggested that if a general membership vote is required, we hold a Fish Fry with door prize(s) in order to attain the number of members necessary for a legal quorum.

Conclusion: Once Gerry receives the documents, he will forward to board members.

Topic: Metron meters and drive-by meter reading
<p>Discussion:</p> <p>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.</p> <p>7/15/25 An order has been placed with Metron for the system and 50 meters.</p> <p>8/19/25 When visiting with the sales rep, Lucian, not all information about the Metron meters was disclosed, and given the state of BHWA equipment, priorities have changes. We contacted the Metron salesman and tried to cancel/return the order. Because we haven't paid the invoice, we can return the merchandise with a restocking fee. We are still trying to negotiate the fee down to less than \$1,000 or at least below 10%.</p> <p>Conclusion: Danny will continue to work with the salesperson, or his supervisor, to negotiate the restocking fee.</p>
Topic: Proposed subdivision on Jordan Cutoff
<p>Discussion:</p> <p>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.</p> <p>7/15/25 No updates.</p> <p>8/19/225 A plan for the subdivision is agreed upon; Andy Pool is ready to move forward with a couple of homes.</p> <p>Conclusion: Upon payment of new-connection fees, Andy Pool's connection(s) will be installed as agreed upon.</p>

11. NEW BUSINESS: No new business.
12. PUBLIC FORUM: Jeff Berry attended to hear how the conversion to a public water authority is progressing.
13. ANNOUNCEMENTS: The next board meeting is scheduled for 7:00 pm on Tuesday, September 16th, at the water office and the office will be closed on Labor Day, September 1st.
14. ADJOURNMENT: Richard Hazel motioned to adjourn the meeting. Shaun Dubois seconded; motion carried. The meeting adjourned at 8:37 pm.


Angela Johnson, Secretary


Danny Woods, Board President

BRUNNER HILL WATER ASSOCIATION
BOARD MEETING GUESTS

DATE: August 19, 2025

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