

BRUNNER HILL WATER ASSOCIATION
 BOARD OF DIRECTORS MEETING MINUTES
 Tuesday, September 17, 2024

1. The President, Danny Woods called the meeting to order at 7:12 p.m.

2. BOARD MEMBERS PRESENT:

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

3. BOARD MEMBERS ABSENT: None

4. MEMBERS OF THE AUDIENCE: Jourdan Sanders, BHWA Secretary; Heath Vaughan from ClearWater Utility Management Services, LLC; Carol Lee; Tabitha West; Leanna Miles; Mary Edwards; Alan Oker.

5. MINUTES FROM AUGUST 20, 2024: Daid Phillips motioned to approve the minutes from the general meeting and the board meeting; Shaun Dubois seconded. Motion passed.

6. APPROVAL OF AUGUST 2024 FINANCIAL STATEMENTS: Richard Hazel motioned to approve the financials; Shawn Hargett seconded. Motion passed.

7. PRESIDENT’S REPORT: Danny noted that he rarely receives complaints anymore. The most common complaint was due to reduced office hours (specifically days) making it difficult for customers to conduct business in person. There was also brief discussion about the pump and motor for the Jordan well, which has been replaced following the lightning strike. An insurance claim is pending. BHWA has provided requested information to the insurance adjustor. Now we are waiting to hear how the process will proceed for the deductible and payment.

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

Topic: Personnel Updates – Banking Access Needed
Discussion: 8/20/24 Angela welcomed the new secretary, Jourdan Sanders. Angela is training Jourdan to perform all administrative actions. Angela is in the selection process for a full-time position elsewhere. In the event Angela accepts a new position elsewhere, Jourdan needs full access for all accounts listed below:

<p>Anstaff: Meter Deposits System Improvement O&M, with Debit Card Debt Service Reserve Depreciation</p>	<p>First Community Bank: Business Checking</p>
<p>Conclusion: Shaun Dubois motioned to approve full access for Jourdan Sanders to all bank accounts along with being assigned a debit card. David Phillips seconded. Motion carried.</p>	
<p>Topic: Office Security Contract</p>	
<p>Discussion:</p> <p>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.</p> <p>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.</p> <p>6/18/24 The security company has yet to submit a bid.</p> <p>7/23/24 After brief discussion about the cost of the bid received by ADSI and the source of the funds (Depreciation account vs. Operations & Maintenance), Richard Hazel motioned to accept the bid. Danny Woods seconded. Motion passed. Discussion about depreciation segued into the following topic of the sale of the Ford Ranger.</p> <p>8/20/24 The security system is installed. We need to schedule a training session to obtain codes and to complete active status. The topic was closed.</p> <p>9/17/24 Further discussion on this topic. ADSI has yet to schedule training and provide an invoice for the system and services.</p>	
<p>Conclusion: Once the invoice is received, payment will be held until after training is provided.</p>	
<p>Topic: Meter Checking</p>	
<p>Discussion:</p> <p>8/20/24 Angela recommended changing the Meter Checking to Meter Savings. Anstaff charges for checking and the interest rate is lower than that for Savings accounts. We are losing money with this account. Danny will call Anstaff.</p> <p>9/17/24 Danny said he took care of the service fees for Meter Checking.</p>	
<p>Conclusion: If we continue to incur service fees, the secretary will inform Danny. Topic closed.</p>	

9. CLEARWATER’S REPORT: Heath reviewed ClearWater’s report. The leak repair at Rodney Church is repaired. There was also discussion about tanks being cleaned, painted, and inspected. An inspection is due in the first quarter of 2025. It would not hurt to have the tanks cleaned and painted to prevent damage from mold buildup. Heath will facilitate. There was also a brief discussion about the property on Top of the Lakes where a structure was built over the water main. A Water User Agreement Certificate of Membership is complete and on file; however, the tap will not be installed until the owners pay connection fees and acknowledge receipt and understanding of the attorney’s letter.

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.

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 one 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.

Conclusion: The board will again consult the attorney to determine the next step and to advise the board on Mary's recommendation.

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.

6/18/24 No discussion

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.

8/20/24 No discussion.

9/17/24 No discussion.

Conclusion: The topic is tabled until the end of the year.

Topic: Customer Service Policy

Discussion:

6/18/24 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.

7/23/24 Brief discussion about the proposed changes to the Rules & Regulations and the Customer Service Policy which were included in the board packet.

8/20/24 Comment was that the policy has been approved.

9/17/24 Vacationers and part time residents were not addressed in the current revision. The board briefly discussed charging a disconnect/reconnect fee or continuing to assess a monthly charge for those who are out of town.

Conclusion: Shaun Dubois motioned to continue to charge the minimum monthly fees and not to allow accounts to be placed on "vacation." Shawn Hargett seconded. Motion carried.

11. NEW BUSINESS:

Topic: Sale of 2005 Ford Ranger

Discussion:

7/23/24 The association owns three trucks. Kaleb primarily uses a truck owned by ClearWater. The board discussed liquidating the truck most likely to remain unused, the 2005 Ford Ranger. David Phillips proposed that it is better to sell the truck for revenue than to let it sit and rust. In addition, we could use its storage space for other equipment. In the past, equipment has been sold via sealed bids. David Phillips motioned to sell the Ford Ranger via sealed bids to be opened at the September meeting. Danny Woods seconded. Motion passed.

8/20/24 The sale of the 2005 Ford Ranger has been advertised in the Baxter Bulletin, White River Current, and our website.

9/17/24 Five bids for the sale of the Ford Ranger were opened and read to the room.

Conclusion: Kevin Majors won the bid for \$3,000. If he does not claim the truck by September 27th, we will move on to the next highest bidder.

12. PUBLIC FORUM:


- a. Mary Edwards asked that KTLO be notified when the system has boil orders and when boil orders are lifted.
- b. Carol Lee asked about the issue with the property that the last garage bay of the water office building is built on. The issue is resolved; a copy of the lease was made available to Mr. Nerge's surviving family members.
- c. Tabitha West and Leanna Miles noted that the SoftTel website must have been down; they both had difficulty paying their bills online or over the phone. There was concern about not being able to meet BHWA office hours, thus incurring late fees.

13. ANNOUNCEMENTS:


- a. The next board meeting is scheduled for 7:00 pm on Tuesday, October 15th, at the water office.

b. Normal BHWA office hours are restored to Monday – Friday, 9 am – 2 pm.

14. ADJOURNMENT: The meeting adjourned at 8:26 pm.



Angela Johnson, Secretary



Danny Woods, Board President

BRUNNER HILL WATER ASSOCIATION
BOARD MEETING SIGN IN SHEET
DATE: 9/17/2024

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SIGNATURE

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CAROL LEE

Carol Lee

Tabitha West

Tabitha West

Leanna Miles

Leanna Miles

AL OKEN

Al Oken

MARY EDWARDS

Mary Edwards

Heath Vaughn

Heath Vaughn