

**WHITE HOUSE WATER SYSTEM
MINUTES OF THE BOARD OF DIRECTORS
JANUARY 29, 2024
6:00 PM**

Roll Call and Proof of Quorum, present were:

Lloyd Heard, President	Jeff Donald, COO, NBU
Jody Camp, Vice-President	Lauren Bounds, Operations Supervisor, NBU
Dewayne Holley	Vivian & Ron Gibbons
Rick Bullard	Patrick Dungan, Attorney
Ed Pickle	

With quorum present, Ed offered the prayer, everyone recited the Pledge of Allegiance and Lloyd called the meeting to order. Lloyd introduced the system's new attorney Patrick to everyone.

Old Business:

1. **Update on ADEM funding:** Lloyd stated that the state has not released the funds yet. Everything on our side has been completed.
2. **Election Process and Timeliness:** Lloyd said that there would be two items to be voted on at the Annual Meeting in April: two Board of Directors seats and whether or not to merge with NBU. Lloyd stated the current timeline of the election process is as follows:
 1. Nominations would be open until February 20th
 2. a letter mailed out by March 15th would include bios of the candidates and contain deadlines on when ballots are due, and the Pros & Cons list of joining with NBU
 3. Ballots will be mailed on March 26th
 4. Mail-in ballots must be mailed to the accountant by April 18th.
 5. On Friday, April 26th, the accountant will send Jennifer a spreadsheet with the proxy votes. Jennifer and the accountant will tally those votes with the in-person votes at the meeting.Vivian asked if she could verify that the Articles of Incorporation stated that the decision to dissolve must be voted by 67% of the votes in attendance. Patrick said that the vote would also include the mail-ins. Lloyd then asked if everyone agreed with the timeline or wanted to add anything. No questions were asked or comments added. Patrick stated that there would first need to be a resolution from the Board recommending dissolution and a vote. Ed made a motion to ask the attorneys to write a resolution and the letter to the members. Dewayne seconded. Motion passed 3 to 1.

New Business:

The Well and Maintenance Reports were given by Jeff Donald. Jeff stated that during December and January, the system had purchased 100% of its water from NBU, and that in December it totaled 15.7 million gallons and in January, it totaled 13.9 million. They received no complaints about water pressure and the tank is full. Work Orders completed in December totaled 262, and in January, 133 had been

completed so far. Since October, there have been 676 work orders completed. There were around 250 manual read meters left to change out when NBU started handling the Maintenance for the system. As of today, there are around 60 left to complete. There were 2 small leaks that were repaired but they did not require turning off the water for any customers. Jeff said the 2 out of service trucks and trencher were auctioned off, netting \$11,000. TankPro has sent over a new 13-year contract. The cost for the tank maintenance would be around \$18,000 the first year and ending in 13 years, with the cost would be around \$28,000 the 13th year. There is an option for monthly payments or paying annual in one lump sum. NBU has theirs billed monthly and would like to suggest the system do the same. Dewayne made a motion to accept the TankPro contract, seconded by Jody. Motion passed 100%. Jody made a motion to pay in monthly installments, seconded by Ed. Motion passed 100%. Jeff stated that he and Jason Padgett had met with Paul Darnell, the system engineer, and Paul said that he was still a few months out on finalizing the plans for the line replacement for the ADEM funded project. Jeff also said that NBU had installed new service for a member and a couple days later they received a phone call that the customer had stepped in the sinkhole that had occurred after setting the meter and said she was injured. NBU told her they would take care of her medical costs. She called back and said she needed payment for pain and suffering so NBU turned the matter over to their insurance carrier.

Last month the Board had asked him to prepare a list of the top four improvements needed for the system. They are:

- 1.) Replacement of old lines;
- 2.) To put in 2 pressure reducing valves in the spots where the pressure is over 140 PSI. Most of these places are at the end of the landings in the area. Most of the members' meters have PRV's but it is not good for the main line to have that much pressure since it is right at the limit of pressure rating for the pipe. The 2 spots most needed are at the end of Cliffs Landing Road and Hurricane Road. Jody asked what size mains were in these areas and Jeff said they are 6" lines. The cost for each PRV and the installment would be approximately \$21,000 each. Lloyd asked how many members were affected in the area and Jeff said around 300. Dewayne asked if there were other areas where they were needed. Jeff said they would like to see one on Byrnes Lake Road and also on Cloverleaf Landing Road. Because of having such high pressure, this should help to eliminate some of the breaks and problems in the area.
- 3.) To put in some isolation valves in the system to try to eliminate affecting so many customers when there is repairs being done. They would like to put one from Riders Grocery caution light area to County Road 39. Another spot needing one is in the Cross Roads area on County Road 138. The cost for each installed isolation valve is \$8500, and the system needs nine.
- 4.) Ten new fire hydrants, split between the White House Volunteer Fire Department and the Cross Roads Fire Department. The chiefs are supposed to be getting back with Jeff with the areas they are most needed. The cost of each installed fire hydrant is around \$5,000.

Lloyd asked which one of the four issues was the most needed and Jeff said first off would be the PRVs, and secondly the fire hydrants. The Board agreed to authorize the PRV installments, and told Jeff to hold off on the hydrants and lines, and they will look at the valves next month.

Jeff said that NBU had met with Rick about the well not being in operation at this time. Lloyd asked if Rick was comfortable with the information presented to leave the well off. Rick said yes, but it is a valuable asset that is not being used. Dewayne asked what kind of cost it would be to bring the well back up and Jeff said that the modifications would cost at least \$100,000 due to NBU using different

treatment than was done in the past at the well. Also with the well being off, the system is not required to do the new required lead and copper testing that is ADEM-required.

Ed made a motion to accept the well and maintenance reports, seconded by Dewayne. Motion passed 100%.

The Office Report was then given by Lloyd due to Jennifer's absence. This included a request for a motion to close the USDA Debt Payment account that was no longer needed since the USDA loan was paid off in December. Ed made a motion to close the Debt Payment Account, seconded by Dewayne. Motion passed 100%. Ed made the motion to accept the Office Report, seconded by Dewayne. Motion passed 100%.

The next order of business was the Financials for November, December, & January MTD, along with an unaudited PNL Report for 2023, the balance sheet, and the check registers for November and December. After a short discussion about the financials, Dewayne made a motion to accept the Financials, Ed seconded the motion. Motion passed 100%.

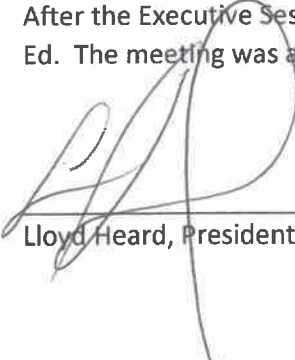
The fifth order of business was the Board Meeting Minutes for November. Ed made a motion to accept the minutes, seconded by Dewayne. Motion passed 100%.

The sixth order of business was the Wex Report for December. Ed made a motion to accept the report, Dewayne seconded the motion. Motion passed 100%.

The next order of business was a discussion about the 2023 Financial Statement. Lloyd said the accountant is currently working on the audit and it should be ready by the Annual Meeting, if not before, and that the system has never been in a more profitable situation even with the lower rates. Lloyd told the Board Members if they had any suggestions for improvements that may be made, to let everyone know so it can be on the agenda for the February meeting. Lloyd thought that replacing some old flush plugs were needed. Jeff said they take care of that as they come across the problem. Jody asked the status of the mapping of the system. Jeff stated that any data they pick up every day while in the field is recorded, so a lot of it had been done.

Dewayne made a motion to go into Executive Session, seconded by Ed, to discuss the Delinquent List, Customer Issues, and Personnel issues. Motion passed 100%.

After the Executive Session finished, Dewayne then made a motion to adjourn the meeting, seconded by Ed. The meeting was adjourned at 7:45 pm.



Lloyd Heard, President



Jennifer Smith, Secretary-Treasurer