



# BEAR CREEK SUD

---

---

Telephone 1-972-843-2101 • P.O. Box 188  
Lavon, Texas 75166

**Date:** January 20, 2022      **Time:** 6:30PM

## MINUTES OF REGULAR BOARD MEETING

**Call to order by:** President Chris Elder

**Directors Present:** Chris Elder, Herman Stork, Robert Haynes, Leon Marshall

**Directors Absent:** Deborah Fato, Leticia Harrison, Colby McClendon

**Public Comment:** Michael Dillon – *Mr. Dillon had four items of discussion.*  
1) *Why Bear Creek SUD was not following the PUC ruling on the Rate Appeal.*  
2) *C. Reagan retirement.*  
3) *C. Reagan signing documents later that needed to be signed for Director Harrison.*  
4) *Disciplining of previous employee.*  
*Mr. Dillon stated that he will be suing Bear Creek SUD and the previous employee in Small Claims Court.*

### **Consent Items:**

Approval of Minutes of Regular Meeting on November 15, 2021.

Approval of November 2021 Financials.

Approval of December 2021 Financials

Approval of November 2021 General Manager Report.

*Motion made by Director R. Haynes, seconded by Director L. Marshall to accept the consent agenda items.*

*The President called roll for the vote:*

*Director Marshall: Approved*

*Director Stork: Approved*

*Director Haynes: Approved*

*Motion carried unanimously. Director Fato, Director Harrison, Director McClendon absent.*

## Regular Agenda Items:

- A. Update on conclusion of rate appeal and Public Utility Commission Final Order. *The Board discussed the conclusion of the rate appeal matter. Attorney, K. Fancher, explained the PUC ruling:*
- *The only item contested by PUC was on Bear Creek SUD's debt service coverage ratio, which is the figure that is used to determine how much net income Bear Creek SUD must have available to ensure the repayment of loans.*
  - *Bear Creek SUD was advised by Greater Texoma Utility Authority, the entity that assisted with obtaining the low interest Texas Water Development Board loan, that it would need to increase the base rate from \$25.00 to \$35.00 in order to show the ability to repay the loan that was obtained for the Pump Station # 2 project. This was based on a target debt service coverage of 1.25.*
  - *The PUC ruled that a debt service coverage ratio of 1.1 would be sufficient, which reduced the base rate by \$3.52 for 14 months, from December 2018 through February 2020.*
  - *Bear Creek SUD is in 100% compliance with the PUC final order that requires a surcharge to customers that is greater than the refund required from the PUC lowering the debt service coverage ratio for Bear Creek SUD.*

*President C. Elder asked whether the statement that Bear Creek SUD is not in compliance with the PUC order related to the current monthly base rate amount was incorrect. Attorney Fancher explained that the statement is incorrect, and that Bear Creek SUD is in compliance with the current monthly base rate amount of \$35.00. It is explicitly stated in the PUC final order and other documents in the rate appeal case that the current base rate amount of \$35.00 was not subject to the rate appeal.*

- B. Discuss and consideration of Pump Station No. 2 Project. *Manager Reagan stated that the construction of the new ground storage tank and pump station are on schedule. Director Marshall asked if there would be a fence or landscaping that would be installed around the tank. Manager Reagan explained that since the Texas Commission on Environmental Quality (TCEQ) prohibits any vegetation on the grounds of a facility, then no there will be no trees planted that will block the view of the tank. The fence that will be installed will be a black chain link fence, which was approved by the Board during the design process.*
- C. Update from Website Committee and discussion of email addresses for Board members. *No updates from the Website Committee. Director Marshall stated that Director Fato was unable to schedule a meeting.*
- D. Discuss and consideration of Construction Water Rates. *Manager Reagan stated that construction water usage in 2021 was 2.13% of the total water pumped and flushing accounted for 20.86%. Since construction water usage is not the largest usage, raising the construction water rates would not make that big of an impact.*
- E. Discuss and act upon 2022 Budget.

*The Board discussed the 2022 budget figures presented.*

*Motion made by Director H. Stork, seconded by Director R. Haynes to approve the 2022 Budget.*

*The President called roll for the vote:*

*Director Marshall: Approved*

*Director Stork: Approved*

*Director Haynes: Approved*

*Motion carried unanimously. Director Fato, Director Harrison, Director McClendon absent.*

- F. Discuss and consideration of rate study. *The board discussed whether a rate study would need to be done for any future rate increases. TRWA offers assistance on rate studies, and they will be contacted since the service is part of the membership. The Board will address the item again in the future after the North Texas Municipal Water District rate increase letter is issued as expected later this year.*

- G. Discuss and act upon Resolution 2022-01-20-01 ordering a General Election administered by the Collin County and Rockwall County Elections Administrators to be held on Saturday, May 7, 2022, for the purpose of electing 3 Directors to the Board of Directors of Bear Creek Special Utility District.

*Motion made by Director H. Stork, seconded by Director R. Haynes to approve Resolution 2022-01-20-01 ordering a General Election administered by the Collin County and Rockwall County Elections Administrators on behalf of Bear Creek SUD.*

*The President called roll for the vote:*

*Director Marshall: Approved*

*Director Stork: Approved*

*Director Haynes: Approved*

*Motion carried unanimously. Director Fato, Director Harrison, Director McClendon absent.*

- H. Discuss and consideration of Dates and Times of Bear Creek SUD Monthly Board Meetings.

*Motion made by Director R. Haynes, seconded by Director L. Marshall to set the third Monday of the month for regular board meetings except when the 3<sup>rd</sup> Monday is a holiday, then the meeting will be the third Tuesday of the month at 6:30PM.*

*The President called roll for the vote:*

*Director Marshall: Approved*

*Director Stork: Approved*

*Director Haynes: Approved*

*Motion carried unanimously. Director Fato, Director Harrison, Director McClendon absent.*

**Board to Set Future Meetings and Agendas:**

*President, C. Elder, asked if anyone had any future meetings to be set or any items for future agendas.*

*Future Meeting set for February 22, 2022 at 6:30 p.m.*

**Adjournment at 8:01PM:**

---

Chris Elder, President

---

Herman Stork, Vice-President

---

Camille Reagan, Recorder