



BEAR CREEK SUD

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Lavon, Texas 75166

Date: August 15, 2022 **Time:** 6:30PM

MINUTES OF REGULAR BOARD MEETING

Call to order by: President Chris Elder

Directors Present: Chris Elder, Robert Haynes, Lisa Block, Leticia Harrison, Leon Marshall, Colby McClendon

Directors Absent: Deborah Fato joined meeting at 6:40PM

Public Comment: None

Consent Items:

Approval of Minutes of Regular Meeting on July 18, 2022.

Approval of July 2022 Financials.

Approval of July 2022 General Manager Report

Motion made by Director R. Haynes, seconded by Director L. Block to approve Consent Agenda Items. Motion carried unanimously. Director Fato absent.

Regular Agenda Items:

- A. Update on Pump Station No. 2 project. *Manager C. Reagan provided an update on the construction of the new pump station. Shutdown is scheduled for August 18, 2022 to install yard piping for North Texas Municipal Water District (NTMWD). The tie-in to the existing pump station is scheduled the week of August 22, 2022. The new tank is to be filled and tested on August 22, 2022. The permanent fence is scheduled to be installed the week of August 15, 2022.*

- B. Update on FM552 Widening Project. *Manager C. Reagan stated that the survey work has been completed for the relocation of the water line. Kimley-Horn is overlaying the survey work with the TxDOT plans to identify conflicts. All lines to be moved will be identified and what easements will need to be obtained. The approximate cost of the relocation will probably be \$1.5 million to \$2.0 million. Attorney Fancher stated that we are waiting on the official appraisal value from the appraiser. A decision will need to be made whether the line relocation costs will be paid for with the money from the Construction account or a loan obtained.*

- C. Discussion on Rate Study for North Texas Municipal Water District (NTMWD) 2022/2023 Rate Increase. *Manager C. Reagan provided an update for the water purchases for the year 2021/2022. Bear Creek SUD took 136.6% of the NTMWD contract for the year which was 282,984,000 gallons. BCSUD took 386,695,000 gallons for the year. The overage was 103,711,000 gallons at a cost of \$315,281.44. The new contract amount will be 386,695,000 gallons for 2022/2023. NTMWD has set the new rate for 2022/2023 with a 13% increase from 2021/2022. Attorney Fancher stated that the Board needed to pass a resolution to set a debt service coverage before deciding on a rate increase. Director Fato stated that there should be an independent rate study done and it should not be done by Jay Joyce. Director Fato stated that Bear Creek SUD should not muddy the waters by having a rate increase while the previous rate appeal was still ongoing. Bear Creek SUD should prove that money is really needed. Attorney Fancher stated that a RFQP had been issued and sent out to all known qualified entities, sent to TRWA, and published on the District's website. The Board could review the RFQPs at the next board meeting and select a qualified entity to perform a rate study.*
- D. Discussion on Subdivision Development. *Manager Reagan stated that the data requested by Director Fato on the total number of lots in each subdivision and how many meters have been sold in each subdivision is not collected. If that is a requirement by the Board to collect the requested data for each subdivision, then additional manpower would be required. No decision was made to collect that data.*
- E. Discussion on Updates to BCSUD Rate Order Regarding Deposits. *Attorney Fancher stated that some other similar types of entities are doing away with deposits and going to a non-refundable setup fee. Director Haynes wanted to know what Bear Creek SUD was losing from customers that walk out owing money. In a twelve-month period how much is the company losing? Director Fato asked what is the percentage of customers that walk off and don't pay their final bill? What is the percentage of customers that get their deposit refunded? Attorney Fancher stated that Bear Creek SUD staff is working to get the unclaimed deposit information to the Comptroller's office. Director Fato stated that she had contacted the State Comptroller and that Bear Creek SUD, Lavon Water Supply or Lavon SUD had never sent anything to the State Comptroller since 1964. Director Haynes stated that the auditors had not found any issues during the audit. Director Fato stated that she receives mysterious mail and emails periodically and she received a mysterious letter wanting to know the relationship between Camille Cox and Glennette Cox that is employed by Rutherford Taylor? Director Fato asked what kind of relationship does Camille have with Glennette Cox and how does that affect the results of the audit conducted by Rutherford Taylor? Manager Reagan stated that there was no relationship with Glennette Cox whatsoever and that Glennette Cox is married to her ex-husband, is not on the Bear Creek SUD audit team, and that any allegation of impropriety related to the audit is untrue.*

Director Fato left the meeting at 7:38P.M.

Motion made by Director R. Haynes, seconded by Director C. McClendon to amend the Bear Creek SUD Rate Order to delete the last sentence of (2)(c) – Refund of Deposit. Motion carried unanimously. Director Fato 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 September 19, 2022, at 6:30 p.m.

Agenda items for September 2022 Board meeting: Rate Study, NTMWD Rate Increase, Administrative Fees, Purchase of a utility vehicle.

Adjournment of Regular Meeting at 7:45PM.

Chris Elder, President

Rober Haynes, Vice-President

Camille Reagan, Recorder