

DEBERRY WATER SUPPLY CORPORATION DIRECTORS MEETING

Date: **May 13, 2025 @ 6:00 pm**

Place: DeBerry Fire Station

Attendees:

Sara Edwards - President
Matt Tillman - Vice-President
Kathryn Yates - Secretary-Treasurer
Steve Werner - Board Member
Mary Robinson - Board Member
7 Members
3 Non-members



The DeBerry Water Supply Corporation (Corporation) Directors Meeting was called to order by President Sara Edwards. A quorum of the directors was present.

Public Comment

Member Frederick Wray asked Yates if she has everything that she needs to perform the duties of Secretary-Treasurer. Yates responded that she has been given the items that she requested at last month's meeting. Wray also asked if the Corporation is losing 1,000,000 gallons of water each month. Werner responded that the loss this month is around 790,000 gallons after allowing for known water losses such as flushing, fire department use and known leaks. This is an improvement over last month. Edwards also stated that the Corporation has created an infrastructure map that aids in leak detection. Edwards asked members to keep an eye out for any possible leaks. Member Keith Carver stated that he could help the Corporation by showing Corporation officials where the water lines run from County Road (CR) 327 to CR 326 across his property.

Edwards introduced Heath Hayes who is the Precinct #3 director of the Panola County Groundwater Conservation District (PCGCD).

Consent Agenda

The minutes of the April 8, 2025 board meeting were read. Werner made the motion to approve the minutes as read. Edwards seconded the motion. The motion carried with all in favor. The approved minutes will be uploaded to the website.

The bills were reviewed by board members. Yates stated that she prefers that all invoices be printed and attached to the checks when presented to the board for approval. However, Yates will discuss the matter with Bookkeeper Morgan Irvin. Yates did not approve nor sign three checks. These checks had either missing invoices or were for invoices that had previously been paid. Irvin will contact vendors and resubmit checks with invoices for payment. The remaining bills were approved for payment.

The financials for April, 2025 were reviewed. There was a profit for the month of ~\$1866 partly due to interest payment on savings accounts of ~\$2722 and a payment by On Demand of \$1800 for reimbursement of line repairs.

The Corporation was denied approval of a Community Card Credit card issued through VeraBank because this card is for 501(c)(3) nonprofits and the Corporation is a 501(c)(12) nonprofit. Therefore, the Corporation is not eligible for this credit card.

Concerning the audit of the Corporation's books for 2024, most of the items requested by the auditor have been given to him. Bookkeeper Irvin will provide any additional items to the auditor. The audit is progressing.

Service Request

In April, there were two Reservice requests, Acct# 2894 and Acct# 863.

On CR 3150 there is a 1 ½" line that currently services Acct# 2640 and an inactive Acct# 2805. This line runs thru a wooded area and has had 5 leaks recently repaired. Operator Manager Galen Coleman Sr. has determined that it is better for the Corporation to kill this 1 ½" line. A Reservice request has been made for Acct# 2805 and a road bore at the cost of \$1500 to the Corporation will be made across CR 3150 to a 3" line to fulfill the Reservice request. This cost is paid by the applicant. Following discussion, motion was made by Robinson to deduct \$500 from the cost to be paid by the new applicant for the road bore. Edwards seconded the motion. The motion carried with all in favor. In addition, Acct# 2640 will be taken off the 1 ½" line and a road bore will be made to connect that meter to the 3" line across CR 3150. The cost of this road bore of \$1500 will be paid solely by the Corporation.

Edwards then stated that she has personally been handling all service request applications, transfers, cancellation requests as well as addressing other issues. She would like to have this duty as well as the dispatching and billings given to one person. She spoke with Ashley Coleman who currently does the bookkeeping for Gili Water Supply Corporation who offered to do the job for \$2500 a month. Sara has also asked current Corporation Dispatcher Debbie Goyne to submit a quote. Edwards further stated that current bookkeeper Irvin could possibly continue to do only the financials for the Corporation. However, Edwards stated that she is willing to continue as is until the end of the year.

System Update

The Corporation produced 1,976,300 gallons of water and members were billed for 1,073,000 gallons for the period of Mar. 15 – Apr. 15. Thus, 54.3% of water produced was sold. After allowing for Water Loss due to leaks, regular flushing, auto flushing, and Fire Dept use, the Water Loss for the Corporation has improved to 40.2%.

Compliance documentation for the Texas Commission on Environmental Quality (TCEQ) Color and Iron Violation on CR 339 has been submitted.

Tillman reported on the status of the Corporation water wells. He stated that lightning struck the transformer at Well #2 and that the well was not currently operational. Tillman hopes to get the well back into operation at an estimated cost of \$2000. Tillman also reported that Well #4 is not in operation. C. Miller Drilling installed a new motor and pump but has informed the Corporation that the well has other serious issues with the casing and is in effect a "dying" well. Currently, only Well #1 at 20 gallons per minute and Well #3 at 53 gallons per minute are supplying the Corporation with water. Furthermore, the auto controls at the wellhouse are not operating properly. These are Turner Controls, which is out of business, and Tillman has had great difficulty locating someone knowledgeable on the Turner Controls. However, he has located a source who can manufacture parts for the auto control board at the wellhouse. The Operator, Tillman, and Edwards have been manually turning wells on and off for about a month. Future plans include that all well controls will operate via fiber optic line.

The first quarter PCGCD reports were submitted by Edwards.

Yates reported that she had filed the Emergency Preparedness Plan (EPP) approval letter, the approved EPP and the Critical Load with the Public Utility Commission (PUC), the Panola County Office of Emergency Management and the Texas Division of Emergency Management in compliance with the Texas Water Code 13.1396.

Fee Changes

Following discussion on fees, motion was made by Edwards and seconded by Robinson to increase the Membership fee to \$200.00. The motion carried with all in favor.

Edwards made the motion to add a Service discontinuance/Cancellation fee of \$50.00. Werner seconded the motion. The motion carried with all in favor.

The Equity buy in fee was calculated based on 12/31/2024 financials. Motion was made by Edwards and seconded by Robinson to set the fee to \$1180.00. The motion carried with all in favor.

Yates will file the tariff changes with the PUC.

Grant/finance Update

The top 5 residential users for 2024 and the usage of all commercial members were submitted to Ardurra for their preparation of a conservation plan.

The USDA Preliminary Engineering Grant of \$30,000 has been approved but is currently in a "frozen" state. It was noted that Engineer Kyle Stephens has completed the preliminary engineering and will need to be paid regardless if the Corporation receives the grant money.

The Texas Water Development Board (TWDB) PIF's are waiting to be scored at the July TWDB board meeting.

Other Items

The Possession and Storage of files outlined in the Cybersecurity Plan submitted to the TWDB was then discussed. Motion was made by Edwards to provide application software and backup data to Secretary-Treasurer Yates. The original application disks will be returned and will remain in the custody of bookkeeper Irvin. Irvin will provide Yates with data backups each month. The motion carried with all in favor.

Following discussion on the matter, motion was made by Yates to appoint Les Mangham, Linda Roberson Pippins, and Betty Bryant to the finance committee, filling vacant seats of the committee that was created by the board at the July 11, 2024 directors meeting. Previously appointed members of the finance committee are Jon Edwards and Donnie Tynan. The finance committee will serve the board as the board assigns tasks. Edwards seconded the motion. The motion carried with all in favor.

Bookkeeper Irvin reported that an extension request has been filed for the submission of Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service for the year of 2024. The Form 990 will be presented to the board for its approval when it is completed and prior to its filing.

Adjourn

Having no further business, Edwards made the motion that the meeting be adjourned with Robinson seconding the motion. The motion passed with all directors voting in favor. Meeting was adjourned.