

LILLY GROVE SPECIAL UTILITY DISTRICT

7435 FM 1638 Nacogdoches, TX 75964

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Business Office Hours – Tuesdays, Wednesdays and Thursdays 9 am – 5 pm (closed for lunch 1pm – 2 pm)

BOARD OF DIRECTORS MEETING MINUTES

December 2025 Meeting

A regular meeting of the Board of Directors was held December 9, 2025 at 6:00pm at the district office

Steve Bartlett presiding

Directors Present: Steve Bartlett, Heather Hawkins, Mark Scott, Susan Anthony, Daniel Reid

Directors Absent: Kelly Showman, Geoffrey Sanders

Meeting called to order and certified open 6:05 pm: Steve Bartlett

Meeting minutes taken by: Susan Anthony

Recognize Visitors: none

Minutes from the last meeting were read and a motion to approve was made by:

1. Mark Scott
2. Heather Hawkins

Operator systems Report: Zac Mobley

- a. Discussed the leaks, breaks or other problems for the month----- METER CHANGEOUTS FOR YEAR **212** /METER CHANGEOUTS FOR MONTH 1 AT READING TIME WE HAVE 379 BADGER METERS IN GROUND NOW 305 MOBILE 74 CELLULAR 11/3/25 finished winterizing standpipe then starting Martin plant, 11/4/25 fixed a leak on a 2 inch line on CR 820, 11/5/25 winterizing Martin Plant, 11/6/25 fixed leak near Nat Church big tree grown over water line-Duplichain called in, 11/7/25 winterizing Nat Plant, 11/24/25 diesel check engine light, taken to dynamic diesel for repair, 11/26/25 fixed 2 inch line leak on FM 343, 11/26/25 2019 Ram (little white truck) had to be towed to Dynamic Diesel, wouldn't start
- b. Discussed **water loss** 48.65%. Water loss is higher than we would like. We will continue to swap out old and not working meters to help improve revenue/reduce water loss. We are actively searching for leaks on the system and particularly on the Nat side of the system where water pumped is much higher than water sold. We have a goal of installing more isolation valves when we have the revenue to do so. We have approximately 160 miles of pipes in the system.
- c. Discuss and form a plan to handle the unresolved 2025 TCEQ inspection issues:
 - #1 no working generator at the Tyler Plant. The generator there has not been working since October of 2024. LGSUD purchased a new generator to be installed at the Martin Plant and hired PK Power to rehab the generac generator and to install it at the Tyler plant. PK Power installed the new plant at Martin and took the generac generator to their HQ in Longview to rehab it in Feb of 2025. Communication has been sparse and although PK Power has been notified of the inspection issue there has not been communication from PK Power on when the generac will be installed.
 - #2 the elevated storage tank at Plant No. 6 (Flower Mountain) exterior needs to be cleaned. LGSUD requested a quote from Tandem Tank & Tower (they did our 2025 tank inspections). The quote was \$15,900. The board requested two additional quotes be requested.
 - #3 ACR requirement of 1.70 gpm per connection. In 2015 TCEQ issued LGSUD an ACR exception that they are saying is invalid, citing transfer pumps are not service pumps. LGSUD is working with an engineer and the TCEQ technical review board to seek a resolution to this issue.

Business Manager Report: Nichol Daniel

- a. Reported sales for the month, Cash on hand, profit and loss statement.
- b. Reviewed adjustments report

- c. Nichol has created a spreadsheet of the cost of the fiber optic installers line breaks, leaks, and estimated water theft. She will submit this spreadsheet to **Travis Lindsey** the Construction Supervisor at Spectrum. We will wait for a response from Spectrum before contacting LGSUDs lawyer for further assistance.

Old Business:

- a. Steve update on engineer search. Steve and Geoffrey are working on an RFQ. Steve will request a general SOQ for Schaumburg & Polk to have at the next meeting.
- b. New Business:
 - a. Willard Trim has contacted Danny Hays with KSA to work up a capacity analysis for a request of 6 meters on FM 3314 across from the soccer field. An analysis is being drawn up in relation to current capacity.

Motion made by Susan Anthony for a certified letter to be sent to PK Power requesting to have the generac generator repaired and in place by February 1, 2026 and if not done we will need to take legal action

- 1. **Mark Scott**
- 2. **Daniel Reid**

Motion made by Daniel Reid to move \$3000 to expansion account effective December 2025 for future tank cleaning and inspection.

- 1. **Susan Anthony**
- 2. **Steve Bartlett**

Executive session called at 7:32 pm

Executive session ended at 8:18 pm

Motion to adjourn @ 8:19 pm

- 1. Geoffrey Sanders
- 2. Mark Scott

The next regular meeting will be January 13, 2026 at 6:00 pm at the office.

There being no further business, the meeting was adjourned. Respectfully submitted.

Susan Anthony- Secretary

Steve Bartlett—Chairman

Nichol Daniel – Office Manager