

LILLY GROVE SPECIAL UTILITY DISTRICT

7435 FM 1638 Nacogdoches, TX 75964

Phone – 936-569-9292 Website www.lillygrovesud.com E-Mail lgwater@gmail.com

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

BOARD OF DIRECTORS MEETING MINUTES

January 2026 Meeting

A regular meeting of the Board of Directors was held January 13, 2026 at 6:00pm at the district office

Steve Bartlett presiding

Directors Present: Steve Bartlett, Heather Hawkins, Kelly Showman, Geoffrey Sanders, Susan Anthony, Daniel Reid

Directors Absent: Mark Scott

Meeting called to order and certified open 6:25 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. Daniel Reid
2. Heather Hawkins

Operator systems Report: Zac Mobley

Discussed the leaks, breaks or other problems for the month----- METER CHANGEOUTS FOR YEAR **212** /METER CHANGEOUTS FOR MONTH 0 AT READING TIME WE HAVE 380 BADGER METERS IN GROUND NOW 305 MOBILE 75 CELLULAR 1/2/26 Scott/PK Power at Tyler begin generator install, 1/6/26 looking for leak on 698, low water pressure called in at Barkley, 1/7/26 leak repair on 698, 1/7/26 2 INCH leak repair CR 847- FIBER OPTIC INSTALLERS, 1/8/26 2 INCH 4238 sandyland leak-FIBER OPTIC INSTALLERS, 1/15/26 start reading meters, 1/16/26 leak on fm 1638 at Davis place/three trees -DUPLICHAIR CALLED IN, 1/17/26 reading meters, 1/18/26 reading, 1/22/26 3 in main line leak on CR 839, 1/23/26 FRIDAY line leak in Guidry pasture East of J&H lane on FM 343, 1/23/26 FRIDAY AFTERNOON ice storm preparation, 1/24/26 SATURDAY ice storm begins/checking wells continually, Nat well power loss/well down late this night, Martin power loss late this night, 1/25/26 SUNDAY checking wells continually/no power, 1/26/26 MONDAY fixing Nat well after ice storm, checking wells continually/no power, 1/27/26 TUESDAY fixing Nat well after ice storm, checking wells continually/no power, 1/28/26 Leak on Barkley road checking wells continually/imbalanced power-boil water notice issued, 1/31/26 2 inch main line leak in 1054 Sandyland-FIBER OPTIC INSTALLERS

- a. Discussed **water loss** 58.30%. 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.
- b. Zac provided a preliminary Major and Minor Project list
- c. PK Power has submitted an estimate in the amount of \$16,599.00 regarding the installation of the rehabilitated generac generator at the Tyler Plant this Excludes Concrete/Plumbing. This is in addition to the \$9,857.23 that was paid for the generator rehab. The terms have been adjusted to 50% down / 50% due upon completion of job scope. Steve is going to request quotes from a few other companies for the installation. Steve will email them out to the other board members when he receives them.

Business Manager Report: Nichol Daniel

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

c. The Axley & Rode annual audit is scheduled for 2/10/26.

Old Business:

a. Steve update on engineer search. Steve received the general SOQ for Schaumburg & Polk.

New Business:

a. Discuss upcoming grant opportunities. In 2026 there is a new Water Supply Infrastructure Grant opportunity. We need to have an engineer apply for this grant for us. It is critical for us to choose an engineer ASAP to start the application process so that we do not miss this year's deadline.

Motion made by Susan Anthony to approve the 2026 budget with a review of the budget to occur in 6 months

1. Heather Hawkins
2. Susan Anthony

Motion made by Steve Bartlett to put Nichol Daniel in charge of the 2026 Board of Directors election process

1. Susan Anthony
2. Kelly Showman

Motion made to set up a special meeting with Schaumburg & Polk engineers. Nichol will contact them and request possible dates then text the board of directors for confirmation.

1. Susan Anthony
2. Heather Hawkins

Executive session called at 7:57 pm

Executive session ended at 8:15 pm

Motion to adjourn @ 8:17 pm

1. Geoffrey Sanders
2. Kelly Showman

The next regular meeting will be February 10, 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 – Business Manager