

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

March 2026 Meeting

A regular meeting of the Board of Directors was held March 3, 2026 at 6:00pm at the district office

Steve Bartlett presiding

Directors Present: Steve Bartlett, Heather Hawkins, Mark Scott, Geoffrey Sanders, Daniel Reid

Directors Absent: Kelly Showman, Susan Anthony

Meeting called to order and certified open 6:01 pm: Steve Bartlett

Meeting minutes taken by: Nichol Daniel in the absence of Susan Anthony

Recognize Visitors: Howard Wilson on CR 833

Minutes from the **January regular** meeting were read and a motion to approve was made by:

1. Daniel Reid
2. Mark Scott

Minutes from the **January SPECIAL** meeting were read and a motion to approve was made by:

1. Daniel Reid
2. Mark Scott

Operator systems Report FOR **JANUARY READ FIRST:** Zac Mobley

Discussed the leaks, breaks or other problems for the month----- 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, NAT generator went down, 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** 52.72%. 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. Steve has approved and Ludco is prepared to go pick up the rehabbed generac generator from PK Power in Longview and to install the generac at the Tyler Plant
- c. **Discussed January 2026 ICE STORM**-----In the early hours of Sunday 1/26/26 an ice storm began that heavily blanketed our area in crippling ice. It covered all local roadways and caused power lines and trees to snap and break under the weight of the ice. After the ice storm ended, we had prolonged days of freezing temperatures. A disaster declaration was put out by the Governor of Texas on 1/25/26 that included the area where our water system is. East Texas lost power for an extended amount of time. Our area is a rural, heavily wooded region with pine trees that reach a hundred feet into the sky. When the power was restored a few days later the power supply was unstable and kept tripping out our equipment. This combination of weather events is an uncommon event, the last time we received a storm like this was Winter Storm Uri in February of 2021. We estimate that the ice storm cost LGSUD approximately

\$28,558.45. The employees of LGSUD work hard to maintain clean and safe water for all its residents. We worked hard to keep water flowing even during this uncommon weather event. Electrical power fluctuations caused a generator equipment failure and well site electrical component damage that resulted in weeks of our operators going to the well site every three hours around the clock. Once the temperatures began to thaw we found that multiple customers water lines and LGSUDs water lines and water valves had broken due to the freeze and that caused intermittent water outages at the plant because the pumps couldn't keep up with the water demand. The Nat area was put under a boil water notice on 1/28/26 and remained on that same boil water notice until all necessary repairs to the well site and the know leaks on the Nat system were completed. The boil water notice was rescinded on 2/20/26. We sent out multiple notifications about the situation on facebook, posted to our website, and sent as alerts by text message and as emails.

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 was conducted on 2/10/26. They are wrapping up the final questions to the audit and then will send Nichol a preliminary audit for her to look over and approve.

Old Business:

- a. Update on engineer search. There is a new in 2026 Water Supply Infrastructure Grant opportunity. We need to have an engineer apply for this grant for us. Schaumburg & Polk is working on applying for grant money on behalf of LGSUD.

New Business:

- a. none

-----**MARCH PORTION OF BOARD MEETING BEGINS**-----

Operator systems Report FOR FEBRUARY READ SECOND: Zac Mobley

Discussed the leaks, breaks or other problems for the month-----**2/1/26 SUNDAY Zac/Nat monitoring, 2/2/26 MONDAY Zac/Nat monitoring, Christians last day, 2/3/26 TUESDAY unstable power at plants, Zac/Nat monitoring , 2/3/26 TO 2/5/26 Will to class in Dallas , 2/4/26 WEDNESDAY Zac/Nat monitoring , 2/5/26 THURS Zac/Nat monitoring, CAMERA SETUP, PK POWER/SCOTT finished repair on Nat generator , 2/6/25 Friday Zac/Nat monitoring, house fire FM 343 next to Lud Davis pasture, 2/7/26 SATURDAY Nat losing water faster than pumping, looking for leaks, 2/8/26 SUNDAY looking for leaks, found 4 inch main line leak repair at 12316 FM 343, 2/11/26 2 inch main line leak at Waters 13685 FM 343, 2/11/26 2 inch main line leak on 13216 FM 343, 2/13/26 Nat aerator pump replaced-DUPLICHAIR CALLED IN, old pump rehabbing at L&S pump repair, 2/14/26 Saturday- 3 inch line leak began on CR 813/Wages Lane- BOIL NOTICE ISSUED, 2/16/26 started emergency valve leak fix CE 833/FM 698, 2/16/26 JC Fields started working for us, 2/17/26 finished emergency valve leak fix CE 833/FM 698-DUPLICHAIR CALLED IN, 2/18/26 2 inch main line leak at Waters 13685 FM 343 (secondary blowout, old dresser), 2/20/26 NAT ICE STORM BOIL RESCINDED, 2/23/26 reading, Zac monthly samples taken, 2/24/26 CUTOFF DAY and reading then RECONNECTS, 2/25/26 reading, finish badger reading, 2/26/26 excavator greasing maintenance, 2/27/26 FRIDAY EOM reports and began the Hayman installation on 698**

Business Manager Report: Nichol Daniel

- a. Reported sales for the month, Cash on hand, profit and loss statement.
- b. Reviewed adjustments report
- c. Nichol will be on vacation from 3/6/26-3/15/26
- d. As of February of 2026 LGSUD is subscribed to DiamondMaps to help map the LGSUD water system. The cost is \$40 monthly, paid annually at \$480 per year. Sheryl is entering the meters by driveway location and the guys will sit down at the computer and move the pins to their more accurate locations over the next couple of months.
- e. On **2/19/26** Jim Amerine from Tandem Tanks called me. He says he is three weeks out from finishing a job in Corrigan then he can head our way to do the Nat flower mountain tank cleaning. Jim gave us a bid for charging \$15,900 to clean the exterior of the tank. B&B sandblasting gave us a quote for \$53,000.00

f. TCEQ violation letter update- deadline to submit supporting documents that we are not in violation of capacity issues is March 21, 2026. KSA Danny sent email saying "I'm working on a flow diagram exhibit to show how the system is connected between various pump stations and elevated tanks. I should have everything ready to send this week". We are still waiting for Danny to send us a flash drive with the 2023 capacity model on it. Steve will help with this.

Executive session NONE

Executive session NONE

Motion to adjourn @ 7:39 pm

1. Mark Scott
2. Geoffrey Sanders

The next regular meeting will be April 14, 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