

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

October 2025 Meeting

A regular meeting of the Board of Directors was held October 14, 2025 at 6:00pm at the district office

Steve Bartlett presiding

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

Directors Absent: Susan Anthony

Meeting called to order and certified open 6:04 pm: Steve Bartlett

Meeting minutes taken by: Heather Hawkins

Recognize Visitors: none

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

1. Geoffrey Sanders
2. Mark Scott

Operator systems Report: Zac Mobley

- a. Discussed the leaks, breaks or other problems for the month----- METER CHANGEOUTS FOR YEAR 209, METER CHANGEOUTS FOR MONTH 2, AT READING TIME WE HAVE 374 BADGER METERS IN GROUND 303 MOBILE 71 CELLULAR-----9/2/25 4 inch main line leak repair at the Nat church, 9/8/25 MAIN LINE LEAK REPAIR 1744 CR 820, 9/10/25 found leak at martin plant, 9/11/25 received notification about upcoming TCEQ inspection, 9/12/25 leak on tyler plant road, 8 inch main, 9/15/25 INSTALLATION for Welch at 648 CR 835, 9/15/25 Boyd came in to help organize for upcoming TCEQ inspection, 9/16/25 leak at Martin wellsite- BOIL WATER NOTICE ISSUED DUE TO WATER OUTTAGE, 9/16/25 leak on 343 at CR 839-**duplichain called in**, 9/16/25 2x-fiber optic crew hit our water line on 698, 9/17/25 fiber optic crew hit our water line on 698, 9/18/25 fiber optic crew hit our water line on 698-**called Duplichain in**, 9/22/25 TCEQ 3 YEAR INSPECTION- Boyd present, 9/23/25 fiber optic crew hit our water line on 8341, 9/24/25 Danny Eddings move line-road bore/connect to 4in -called Duplichain in , 9/29/25 leak on 1.5 in line on FM 698 past CR 833 fiber optic installers hit- BOIL WATER NOTICE, 9/29/25 leak on Simms Rd, fiber optic installers hit
- b. Discussed **water loss** 29.56%. 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. TCEQ inspection update- The inspection went well. There are a few fixes that need to be completed. First, we need to have PK Power finish repairing the generac generator (old generator from Martin that was removed in March of 2025) and bring the generator back/have it installed at the Tyler Plant. Nichol received an update from Scott at Pk Power on 10/14/25 saying “the breaker shipped out today. Should expect it by the end of this week”. Second, we need to have the mildew removed from the exterior of the elevated storage tank at Plant No. 6 (Flower Mountain). Tandem Tank who did our tank inspection for 2025 submitted a proposal for cleaning the tank (\$15,900 payable 30% when job begins, 70% upon completion). The board did not decide to move forward with the cleaning and the board will revisit this topic again in April 2026.
- d. There are still several fiber optic installation crews working on the water system. Zac and crew will begin working on winterizing the plants this month.

Business Manager Report: Nichol Daniel

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

- c. Martin generator loan interest rate dropped from 7.5% to 7.25%. We will continue to make the payments at the previously agreed upon amount of \$5,000 per month.

Old Business:

- a. Steve updated on engineer search. Steve and Geoffrey are working on an RFQ.
- b. Steve spoke with Ronnie Collins @ Cadence. Ronnie says to call him when we are seeking funding for the upcoming project even if it is a higher dollar figure. Cadence wants the opportunity to see if they can meet the funding requirements.
- d. New Business:
 - a. none
- e.

Executive session: none

Motion made to purchase small building/portable shed, portable generator, small heater/radiator for flower mountain.

- 1. Daniel Reid
- 2. Mark Scott

Motion to adjourn @ 7:30 pm

- 1. Mark Scott
- 2. Kelly Showman

The next regular meeting will be November 11, 2025 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