



BEAR CREEK SUD

Telephone 1-972-843-2101 • P.O. Box 188
Lavon, Texas 75166

Date: December 11, 2018 **Time:** 7:02PM

MINUTES OF REGULAR BOARD MEETING

Call to order by: President Herman Stork

Directors Present: Herman Stork, Bryan Block, Leticia Harrison, Robert Haynes, Chris Elder, David Hawkins, Kevin Hutchinson

Directors Absent: None

Public Comment: None

Consent Items:

Approval of Minutes of Regular Meeting on November 13, 2018.
Approval of November 2018 Financials.
Approval of November 2018 General Manager Report

Motion made by Director R. Haynes, seconded by Director K. Hutchinson to approve Consent Items. Motion carried unanimously.

Staff Report:

Legal update by James W. Wilson: *Attorney James Wilson stated that at the present time a condition of service is for an applicant to grant an easement and right-of-way to the water company. The Public Utility Commission is reviewing a case to try to change the requirement. The Public Utility Commission should make a ruling within ten days to determine if this will still be a condition of service.*

Regular Agenda Items:

- A. Discuss and act on a Waterline Cost Sharing and Reimbursement Agreement with Lenart Development Company, LLC for construction of a 12-inch waterline along certain parts of County Road 486 and State Highway 78: *Tabled for Executive Session by attorney, James Wilson.*

- B. Discuss and act on a Revocable License Agreement granting Lenart Development Company, LLC temporary use of certain right-of-way easements owned by Bear Creek Special Utility District (SUD) to construct a 12-inch waterline along parts of County Road 486 and State Highway 78: *Tabled for Executive Session by attorney, James Wilson.*
- C. Discuss and act on delinquent accounts and payment plans: *General Manager, C. Reagan, stated that there had been 307 accounts processed for final bills in 2018. Of those accounts, 44 of them did not turn in termination forms. If a customer does not submit a termination form, then the deposit is not refunded or if there is no deposit on the account, then the company cannot collect monies owed. If all customer deposits are refunded after one year of service, like some customers have requested, then of these 44 accounts just in 2018, Bear Creek SUD would have lost \$9,229.51. As it stands, since the deposit remains on the account until the customer terminates service, the company only incurred a minimal loss on these accounts. A customer who terminates service without notice and without providing a forwarding address to the District shall not be entitled to a deposit refund. Bear Creek SUD has also entered into courtesy payment arrangements for several individuals then to discover that the customer moved out and did not fulfill their payment arrangement. The Bear Creek SUD Rate Order that was adopted December 10, 2013 states that service may be terminated if an applicant fails to comply with the rules, regulations and policies of the District. If payment is not received by the 10th of the month, the customer will be charged the \$20.00 late fee and then the customer is given until the 26th of the month. If the payment is not received by the 26th of the month, water service will be terminated. With the growth that is expected to happen within the District, it will be difficult to administer all the different courtesy payment arrangements. Therefore, the District will adhere to all policies and procedures set forth in the Rate Order from this point forward. Bear Creek SUD will no longer allow extensions on bills.*
- D. Discuss Senior Citizen Discount: *Several customers have requested that the District provide a senior citizen discount for water customers. The response has been that the City of Layon provides a discount for senior citizens and have requested the same from Bear Creek SUD. Per the Public Utility Commission Rule 24, utilities are required to treat all customers of a class in a non-discriminatory manner when it comes to rates. The rule states that the "commission shall ensure that every rate is just and reasonable" and that all rates be "consistent in application to each class of customer". A special rate for senior citizens would violate this requirement that customers receiving the same type of service be charged the same amount for that service. The statute does not provide utilities with the authority to charge senior customers a reduced fee.*
- E. Discuss Cross Connection Control Procedure: *A comparison was done of three companies that provide third party record retention for backflow inspections. C. Reagan spoke with several of the District's registered backflow operators to see if there was an interest to provide the same service as one of these companies. Of the operators that were asked, there were positive responses received. A Scope of Services will be sent out to several registered backflow operators to request a proposal of service. Once the proposals of service are received, the Board of Directors will review proposals when available.*

Adjournment to Executive Session:

Motion by Director R. Haynes, seconded by Director C. Elder to adjourn to Executive Session at 7:55PM. Motion carried unanimously.

Executive Session:

Executive Session Call to Order at 8:00PM.

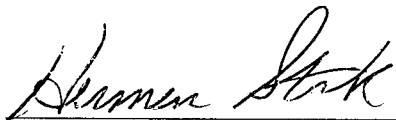
Executive Session Agenda Items:

- (A) The Board may recess into closed or executive session to discuss the following:
 - (1) Government Code §551.072. Discuss Property Purchase.
 - (2) Government Code §551.071. Consultation with Attorney Regarding Executive Session Procedures and Rules
- (B) Reconvene into Regular Session and take any action necessary as a result of the Executive Session.

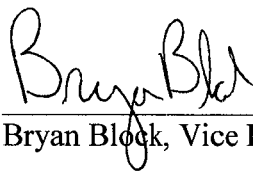
Adjourn Executive Session at 8:36PM.

Regular Session Call to Order at 8:37PM.

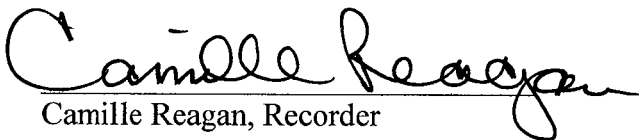
Adjournment at 8:37PM:



Herman Stork, President



Bryan Block, Vice President



Camille Reagan, Recorder