

**FLYING L PUBLIC UTILITY DISTRICT
REGULAR MEETING – February 9, 2026
MINUTES**

CALL TO ORDER: The February 9, 2026, Regular Meeting of the Flying L Public Utility District; is called to order by President, Judd Ryan at 6:31 PM. Additional Board Members in attendance are Katherine Lee, Leslie Rector, and Ramona Werst. Will Dietrich is absent. **A quorum was established.** Also, in attendance is Scooter Mangold, General Manager for Yancey Water Supply Corporation.

Guests(s) in Attendance: Megan Ryan, David Werst, Nancy Rowton, and Cindy Stevens.

PUBLIC COMMENTS: Megan suggested that we send out IRIS notices on a monthly basis to remind the community when the Monthly Minutes are posted as well as giving them information on our merger progress when there is new information to share. Nancy had concerns about the process to purchase the PUD. Scooter replied it is seen as a purchase for \$10 but it's more of a merger from a governmental taxing entity to a non-profit. All property owned by FLPUD will become the property of YWSC. All tax funds and income during the approximate 1-year process will be spent for the betterment of our facilities in this community. The PUD remains in control of all our income throughout this process. Upgrades will be made where needed, smart meters will be purchased, and a new and better Well will be dug to replace the original Well #1. We will become a member of the entire Yancey WSC alongside their other existing members/residents. Cindy Stevens had a few questions about the billing system. She inquired about a lot that the PUD owns.

APPROVE MINUTES FROM PREVIOUS MEETING: After review, **a motion** was made by Lee, 2nd by Rector to approve the Regular Meeting Minutes of January 12, 2026 as written. **Unanimous**

Financial Review: Katherine explained because of the transition from MOC to Yancey we do not have full financial reports. (Which includes how the income received should be categorized.) Hopefully by next month we will be back on track. Leslie stated the current balance in our investment account is \$1,192,830.16. This month's A/P Aging Summary Report/Bills total \$27,185.43 with \$8,272 available in the checking. **A motion** was made by Rector, 2nd by Werst to transfer \$23,000 from account #266 to account #816 to pay the monthly bills. **Unanimous**

Approve Amended Budget: Katherine went over some areas that were adjusted because of costs that exceeded the original budget and income that exceeded expectations each by 10%. Some of the categories that were amended were administrative, legal, sewer maintenance, lodging & travel, and trash. **A motion** was made by Rector, 2nd by Werst to accept the amended budget as presented. **Unanimous**

Review and Pay Monthly Bills

A/P Aging Summary Report – (Unpaid Bills as of 01-31-26) Leslie reported that our unpaid bills totaled \$27,185.43. The checking account balance on Monday morning was \$8,272. With the amount in the checking account versus the amount of our monthly bills we will need to transfer funds into the checking. **A motion** was made by Rector, 2nd by Werst to transfer \$23,000 from Acct 266 to Acct 816 to pay the approved monthly bills. **Unanimous**

REVIEW AND DISCUSS OPERATIONS

Operations Yancey – Scooter reported during the cold weather the water plant lost a transducer which caused some issues for our customers. There were no transducers in TX so he had 5 flown in by air-flight to get our system up and running with 4 extra in reserve. The power received by BEC is not consistent. The remote-control center was changed from manual reset to automatic reset. Electricians added a charge recorder to establish the electrical amperage the Water Plant is routinely receiving. Scooter and a Board Member will be in touch with BEC if needed. There was a leak on Valley Oak Drive which was repaired as quickly as they could. Yancey is quite aware of any business, such as the Resort; within their service area and will schedule any work that is required around the needs of the business whenever they can. Ramona reported, a few residents were experiencing brown/discolored water. Yancey has/will flush hydrants and flush valves to aid in clearing up the water. The brown water is not unhealthy but looks terrible. Ramona reported that two of the new security cameras weren't working properly. She was able to get one back online but will be returned for replacement.

All Payments for Utility Services Should be Made Payable to Yancey Water Supply Corp.

OPERATIONS PUD – Leslie reported: On January 21st Ron Perrin Water Technologies, Inc. came and inspected the water storage tanks. I spoke with them to see if the invoice and report was ready. It wasn't, we should get the report & invoice in February.

We received 69 Checks from Yancey to deposit in our account on January 16th, totaling \$10,733.26. All payments were credited to residents' accounts before sending them to us, via carrier. Then again on February 3rd we received 40 checks from Yancey to deposit in the amount of \$17,279.45. One of those checks was from Yancey the others were made out to Flying L PUD. Hopefully going forward, we will only receive one check per month made out from Yancey to us.

I was in contact with the **Tax Office** about how the taxes would be collected once the merge is complete and Ms Jankoski responded: "The responsibility of the Tax Office will be to continue to collect the taxes that have been assessed and to send them over to the PUD for as long as they still have a bank account open. It will then be up to us and our attorney what to do with the funds from there."

The **Tier II Chemical Report** that MOC emailed us was forwarded to Yancey. TCEQ will be in contact with both Yancey and MOC so that MOC is eliminated from our records, and Yancey becomes the Primary contact company.

We updated our Certificate with BEC with our Sales Tax and Use Tax Exemption Certificate and Completed the Special Purpose District Report with TCEQ.

We have verification from our Certified Letter mailed to **Republic Services** that our non-renewal of contract was received.

We received the **Corrected Tax Statement from the Tax Office** on the new lot for the Lift Station in the amount of \$290.79 which was half of the original. After Ramona reviewed the purchase settlement papers, we were credited with ½ of the tax year's amount. The payment was essentially from the money that we were credited with at the property settlement, so no loss. A cashier's check was issued to them from our checking account and paid in January before it became late in February with a late fee.

We were called by the TCEQ employee that did our inspection in December. She sent us an email outlining what she saw during the inspection.

We received an email from **TRWA** stating Water Supply Corporations are not eligible, and cannot apply, for approximately **\$1 Billion in Texas Water Development Board Grants**, and asked that we respond to the Lieutenant Governor's Contact email – Which I Did. The way the language was stated

in the bill, had the unintended consequence of making Water Supply Corporations ineligible to access these funds to assist with infrastructure grants. Hopefully, if everyone responds it will be rewritten.

We received mail from the Central Appraisal District informing us that we can participate in the selection of the Appraisal District Board of Directors by nominating a candidate. We could put this out in an IRIS to see if anyone in the community is interested in being a Board Member for the Appraisal District. The Board thought it would be a good idea to inform the community via IRIS.

We were informed by a resident that they have been in contact with the Attorney General with all responses to her request for open records and the lack of an estimate of costs. We have required a form to be filled out for many, many years. That is the reason the communications stopped because we never received one. We asked the requested document request to be more specific so we could give them a cost and we didn't receive either.

I requested and received the information from the Sheriff's Office on the Dumpster Divers from back in January. There were 2 Females and 1 Male. They were stopped by the Sheriff's Officer on Stone Crest as they were leaving. A traffic stop was conducted. The vehicle had no liability insurance, and a wrecker was requested. A citation was issued to the owner for no insurance and trespass warnings were issued to all. Hopefully they won't return.

Because of the transition from MOC to Yancey, I attempted to get in contact with some of the companies that routinely come out to test the water. While assembling the invoices for the month, I decided to call Water Utility Services (contracted by MOC); because they send their invoices directly to us instead of going through MOC - just to make sure they were made aware of the change in Operators. I also sent Lonnie Wright and Sally Gomez to remind them to cancel those services.

OLD BUSINESS: (Discuss and Take Action)

None

NEW BUSINESS (Discuss and Take Action)

Selling an Unused PUD Lot: There is a lot that the PUD has owned since the mid 1980s, purchased for back taxes. The Board does believe the lot will be of any use for the water and or sewer plant. The lot is on Valley Oak Drive - Section 6, Lot 12. We want to utilize the funds for the community. **A motion** was made by Rector, 2nd by Lee to sell the lot. **Unanimous** This will be made known to the community, and that we will not be paying any realtor fees to sell it.

System (Asset) Purchase Agreement: We, Yancey & FLPUD; received the updated version of the Purchase Agreement. Because there may be a couple of minor changes, our lawyer advised us to word our motion to accommodate the possibility for any small changes. After some discussion, **a motion** was made by Rector, 2nd by Werst to approve the Water and Sewer Systems Purchase Agreement in substantially the same form as the agreement we received from our lawyers. **Unanimous**

Smart Meter Bids – We currently have 72 smart meters installed in the community. The only part that is missing from them is the endpoint which allows the meter to transmit information to a secure network. We contacted 3 companies for pricing to begin purchasing smart meters for the community. The companies were Hydropro Solutions, LLC, Accurate Meter and Supply, and "NEXT". Smart meters will eliminate the need for meter reading, saving that cost; and when set up, can alert the resident of excessive water use which could be caused by a leak. Scooter contacted the companies he has previously used. Taking everything into consideration from cost, to warranty, and their user friendly features which allow the operators to see the same information in real time, and be able to identify any problems

quicker – Scooter recommended the company “NEXT”. He has used Hydropro Solutions in the past but “NEXT” is the only one that offers a full 20-year warranty. After some discussion, **a motion** was made by Rector, 2nd by Lee to begin purchasing “NEXT” smart meters, 75 at a time and not to exceed the total cost of \$105,600. **Unanimous**

Engineering Bids for New Well – Scooter contacted 3 companies that he has previously worked with, Respec, Southwest Engineers, & MTR Engineering Services for bids. MTR Eng Svcs was a no-show bid. The two bids that were received are very similar except Southwest Engineers eliminates some duties so that they can keep their billing cost down by not including them and putting that work on our operators. Scooter is recommending Respec for our project. Judd commented that we were looking to go deeper than they were quoting. Scooter stated that typically that’s what the Hydrologist does. He takes a vision of what the surrounding Well depths are, and going deeper is not necessarily better. When drilling begins they will be able to see the size of the cavern they have entered. If they enter a big cavern they will test the water at that depth. The starting bid for Respec is \$45,000 but it can increase depending on many factors. After discussion, **a motion** was made by Lee, 2nd by Werst to accept the bid from the engineering company, Respec; with the initial bid of \$45k with a contingency not to exceed \$100k. **Unanimous**

Adjourn: The open meeting was adjourned at 7:40 PM to **enter Executive Session** and call the lawyer with any questions from the Board on the Purchase Agreement and obtain any information from the lawyer.

Exited Executive Session at 8:00 PM and reconvened the open meeting. Nothing discussed needed to be voted on and the Agreement will continue to PUCT (Public Utility Commission of Texas). This process can take up to a year. The Board will keep the community updated whenever there are any updates on the process.

Next Meeting: The next meeting will be on March 9, 2026 at 6:30 PM at the PUD Building

Adjourn: Having no further business, the meeting was adjourned at 8:07 PM.

Presented for review and approval,
Leslie L. Rector, Secretary/Treasurer
for the Flying L Public Utility District