

Pursuant to the Open Records Act: The minutes of the LCRWS #17 are available to its members upon request. Copy rates are posted at the LCRWD #17 office and on file with the County Clerk. Minutes will also be available at our website lcrwd17@myruralwater.com

LCRWD#17 Board of Directors Meeting Minutes

August 13, 2024

- Meeting called to order at 6:06 PM.
- Jean Conklin led the meeting with a prayer.
- Roll Call: Vicki Cearnal Chairman, present. Jean Conklin Vice-Chairman, present. Deb Butler Treasurer, present. Kendle Ortiz Secretary, present. Matt Pollard, member at large present. Also present were John Butler, Water Operator, Sean Balzanna Operator apprentice and Lisa Craven. Sign in sheet filed with BOD reports.
- Secretary's Report: Kendle Ortiz had emailed a copy of the July 23rd Special Called BOD meeting minutes as well as the August 5th Special Called BOD meeting minutes to the board prior to the meeting. Kendle asked if there were any questions or amendments of those meeting minutes. There were none. Deborah Butler made a motion to accept the Special Called BOD meeting minutes from July 23rd as well as the Special Called BOD meeting minutes from August 8th. Matt Pollard seconded the motion. Vicki Cearnal voted yea. Jean Conklin voted yea. Deb Butler voted yea. Kendle Ortiz voted yea. Matt Pollard voted yea. Motion carried.

- Treasurer's Report: Deb Butler presented the Treasurer's report to the board. Copy of the report filed with the meeting minutes. There was a discussion regarding contractors and bids for the roof and the possible work on the office building. There was a discussion regarding the transfer of funds from savings into the checking account to cover costs. There was a lengthy discussion regarding the cost of leak detection and repairs versus the cost of the lost water costs. Jean stated that looking at costs it appears that we are spending a lot to repair leaks without much impact on the cost of lost water. John Butler explained the process for repairing leaks and that they were constantly monitoring for leaks. He stated that small 1-3 gpm leaks were monitored. He stated that once a leak opens up to about 4 gpm then it was a leak that should be looked for and repaired if possible. Deb stated that repairing the leaks was vital as the cost of lost water would be so much higher without repairing leaks as quickly as possible. There was a lengthy discussion regarding cash flow. There was a discussion regarding invoices from Curtis Faulkenberry. John stated that he turned in invoices sporadically and you many times had to remind him to turn them in. Matt stated that he would like to see a contract that stated that we had 60 days to pay an invoice once submitted for payment. Deborah Butler stated she did not think that would be a problem. Deb stated that they were looking for a grant to purchase leak detection equipment. There was a lengthy discussion regarding the leak detection system that John Butler had developed. He stated that they pulled data once a week to input into the spreadsheet. He stated that it took about 2-3 hours but the results were very precise. Jean asked if moving the board meetings to the third Tuesday of the month from the second Tuesday of the month would be helpful as water loss numbers were not available until the 15th when Mena reads the main meter. Deb stated that would not really be helpful for accurate reporting. Deb stated that it would only make the financials be further out of date as they were generated on the first of the month. Jean stated that she struggles with the amount of money spent on leak detection and repair and yet we are still at a 60% water loss rate. Deb stated that without the leak detection and repair we could be at 100% loss or more as there is no

limit to how much water we could lose. Vicki Cearnal stated she has asked Deborah to start paying the American Express bill online to avoid having to have someone come into the office to sign a check in order to avoid paying fees due to late payments. Deborah stated she would email a copy of the American Express statement to all the board members and they will need to respond to her with their okay to proceed with paying them. She stated that every board member needed to respond to her before she would make the payment to ensure that everyone had reviewed the charges and were okay with them prior to payment. Kendle Ortiz made a motion to accept the Treasurer's Report. Jean Conklin seconded the motion. Vicki Cearnal voted yea. Jean Conklin voted yea. Deb Butler voted yea. Kendle Ortiz voted yea. Matt Pollard voted yea. Motion carried.

- **Operator's Report:** John Butler presented his operator's report to the board. A copy of the operator's report is filed with the meeting minutes. There was a lengthy discussion regarding the operator's report. John stated that he had developed a leak detection system to see where we are leaking and that he is very proud of the system. There was a lengthy discussion regarding water loss and the worksheet for leak detection. There was a lengthy discussion regarding easements to the standpipe. Vicki stated that the Roberts have tentatively given permission for an easement and that she had spoken with Mr. Shebay regarding an easement. Jean asked about compensation for obtaining an easement. There was a discussion regarding options for compensation for obtaining an easement. Vicki stated that so far they are offering the easement without compensation. There was a lengthy discussion regarding clearing the area in order to put in the electric poles and lines. Matt stated if they agree to the easement to get it in writing. John Butler asked the board about getting tires for the truck as they were getting very thin. He stated that they were getting to be unsafe. Jean Conklin asked why John was still taking deposits to the bank when they could be deposited electronically. John stated that he took the deposits when he was going to get gas or when he was in his personal vehicle. Jean stated that she did not know that he and Deborah

were using their personal truck for this. Deb stated that she preferred to take the deposits to the bank as she did not want to have to do them electronically. She stated she did not want help scanning deposits. If she could not be able to do things the way she could control then someone else could do the billing. Deb stated since they used their personal vehicle to make the deposits she did not see why this was an issue. There was a discussion regarding getting just two tires or getting all four at once. Matt stated that it did not make sense to make two trips for the tires and that he should just get all four at once. The board all agreed that John should just get all four tires. Sean Balzanna presented his operator report to the board. There were no questions regarding his report. A copy of his report is filed with the meeting minutes. Vicki thanked John and Sean for their reports.

- Old Business:
 - Grants Update: Deb Butler presented the board with the grant updates. Copy of the grant update filed with the meeting minutes. There was a lengthy discussion regarding the grant updates. Deb stated that we did not get the Water Smart grant. Vicki stated that she had spoken with them regarding why our application was denied. She stated that there was a different Water Smart grant that would work for us and that she would be applying for that grant. Vicki stated that Gaylene from Communities Unlimited had been on the call with her and that she would assist with the application for the Water Smart grant. Deb stated that she needed to sit down and talk with John and Sean in the next couple of days regarding the next RIG grant application as they needed to decide on what project they wanted to fund. There was a discussion regarding our 20% matching funds for the RIG. There was a discussion regarding when we have to pay the engineer. Deb stated we were waiting for the DEQ permit before we look to start paying them for the engineering report. there was a discussion regarding the timeline for the DWSRF grant.

- New Business:
 - Presentation and discussion of annual audit: Vicki stated that she had spoken with the auditor and that they did not plan to attend the meeting. She stated that they said if there were any questions regarding the audit they could be submitted via email. Vicki stated that if pushed they would provide us with one bound copy. Deb stated that we needed at least one bound copy for our records. Vicki stated that there were three items that we failed to pass. One was regarding three meeting minutes that showed activity prior or after the BOD meeting. She stated that those were simply clerical errors. She stated that there was a lack of division of duties with the financials. She stated that the auditor said that every small water district failed on this area due to lack of office staff. He stated that we do have checks and balances but until we are able to have an office manager that we would continue to fail this area. The third thing we failed was not having a state bill of sale for the truck we purchased. Vicki stated that she would have a bill of sale drawn up and back dated and signed by Ken Winkenwerder and that would be put into our records. No one on the board knew that this was a requirement. Vicki stated that she was going to write a rebuttal letter to the auditor. She stated that would not change the audit but it could be filed with the audit in our records. Deb stated that next year before we accepted the audit that she would forward it to the board so it can be reviewed by all the board prior to approval so any issues can be addressed before approving payment to the auditor.
 - Discussion and possible action on easement to provide electricity to the stand pipe: This had been discussed in the operator's report. Vicki will continue with her efforts to obtain the easements needed.
 - Review of insurance adjuster claim disclosure and action on the roof. Vicki stated that she would get bids for cost of material and bids for the labor separately and see what could be done with the amount given by the adjuster, roughly \$5,400. She stated that she would get

that taken care of. She stated if there was any monies left after the roof repair that the monies could go towards some repair on the building if possible.

- Adjourn to Executive Session: Kendle Ortiz made a motion to adjourn to executive session. Matt Pollard seconded the motion. Vicki Cearnal voted yea. Jean Conklin voted yea. Deb Butler voted yea. Kendle Ortiz voted yea. Matt Pollard voted yea. Motion carried. Adjourned to executive session at 7:52 PM.
- Deborah Butler made a motion to come out of executive session. Matt Pollard seconded the motion. Vicki Cearnal voted yea. Jean Conklin voted yea. Deb Butler voted yea. Kendle Ortiz voted yea. Matt Pollard voted yea. Motion carried. Adjourned executive session at 9:01 PM.
- Deb Butler made a motion to return to regular session. Matt Pollard seconded the motion. Vicki Cearnal voted yea. Jean Conklin voted yea. Deb Butler voted yea. Kendle Ortiz voted yea. Matt Pollard voted yea. Motion carried. Returned to regular session at 9:01 PM.
- Open Member Discussions: Lisa Craven asked the board where we were on finding an alternate source of water besides Mena Water. John stated that Freedom Water was not able to obtain water from a new source due to costs. He stated that our pipes were running in the wrong direction for water from Talihina, so at this time we had no good options for an alternate source. There was a discussion regarding a newsletter to help inform the customers. Lisa stated that in her opinion people did not tend to read newsletters in general and did not think the expense would be worth the effort.

- Adjournment: Jean Conklin made a motion to adjourn the meeting. Matt Pollard seconded the motion. Vicki Cearnal voted yea. Jean Conklin voted yea. Deb Butler voted yea. Kendle Ortiz voted yea. Matt Pollard voted yea. Motion carried. Meeting adjourned at 9:03 PM.

Signed: _____

Seal: