

Pendleton Water Association

APPROVED

Minutes of the Board of Directors Meeting
at the Toledo Town venue
February 4, 2025
(January make-up meeting)

1. The meeting was called to order at 5:07 p.m. by Board President Charln Stewart. Board directors in attendance were: Carl Jeanise, Charln Stewart and Bub Sepulvado, with Gloria Thompson on the phone. Also present were Treasurer Tina Barrett and Secretary Tony Laska. Mike Meyer and Mike Stewart, advisors to the Board were in attendance as well.

2. Proof of notice of meeting was confirmed.

3. The December 17, 2024 Board Meeting Minutes were considered and approved as written following a motion by Gloria Thompson, seconded by Charln Stewart. The motion was unanimously approved.

4. Charln Stewart welcomed PWA members attending the meeting and thanked them for their interest in their water association.

5. Directors' Reports

President:

- Grant announcement – the grant has been withdrawn. This will be discussed under new business.
- A Performance Review document for Plant Manager has been drafted by Jerry Burnaman and Charln Stewart. Board support for the manager is implicit. Chris Cook departed in December, so funds budgeted for him can be redirected toward temporary operators from Many to achieve the required Class II equivalent on site at all times. The Performance Review document was approved unanimously on a motion by Carl Jeanise, seconded by Charln Stewart.
- Policy on customer meters. The common practice to date has allowed members to disconnect their meters for whatever reason. However, they are charged the monthly minimum for each month disconnected up to a total of \$200 to get re-connected. On a motion by Carl Jeanise, seconded by Bub Sepulvado, the PWA Board voted unanimously to have this policy put up on the PWA website.
- A member asked if a Board meeting could be scheduled for a Saturday. Tentatively, a Work Day will be planned for the plant site on February 22nd, followed by a meeting of the Board. This was approved unanimously by a motion by Charln Stewart, second by Gloria Thompson. If this doesn't work out then the next meeting will be Tuesday February 18.

Treasurer:

- Financial reports for December were distributed and discussed. Revenues were approximately \$40K higher. A motion to accept the Treasurer's Report was made by Charln Stewart, seconded by Bub Sepulvado and unanimously approved.
- The suggestion of contracting for an outside financial audit was discussed. Cost would be in the range of \$15K. All agreed that better categories of expenses would solve much of the confusion. This has to be provided to Sheffield; they can't do it for us. The subject was tabled.

- For the budget development process, Charln Stewart asked if some members would be interested in volunteering. Ned Goodeaux, Ted Dove and Mike Hubbell offered to serve on a financial subcommittee. Charln Stewart agreed to convene a meeting of the budget subcommittee as soon as practical
- A PWA check signing policy is needed to meet normal business practices. PWA checks require two signatures. Two members of a family should not be signing the same check. A staff member should not be signing a check to a company he/they own. A motion was made by Charln to require a board member to see invoices and co-sign the check with Tony Farrell, or, in the case of a check made out to a staff member's company, it is signed by two board members. Seconded by Carl Jeanise the motion passed unanimously.
- Consider a rate structure for vacation rental properties. PWA's commercial rate is self-explanatory but commercial activities such as vacation rentals appear to be more than a family home. Discussion was tabled and Tony Farrell was asked to look into how water districts near the Lake with similar situations are charging vacation rentals.
- The recently completed Rate Study was reviewed by Tina Barrett. She performed a parallel analysis with a few key changes to see how fiscal viability might be affected. The data of dropping population seemed erroneous so she changed that to keep a constant population. With unusually high maintenance costs (due to expensive custom installation work on two new pumps*) an outlier in 2024, she replaced that figure with the average of the previous five years.
PWA's contingency fund had been drawn down as a deposit on the land purchase. Then the funds from the grant vanished requiring staff to work at gradually building back this account.
Charge to the budget committee includes a provision of additional funds for a Business Manager and an Operator. A motion was made by Charln Stewart, seconded by Bub Sepulvado and unanimously approved to keep water rates unchanged until recommendations are made by the Budget Committee between February and March. The new rate may require FDA approval. Members of the Budget Committee include Charln Stewart, Tina Barrett, Mike Meyer, Ned Goodeaux, Ted Dove and Mike Hubbell.
*It was noted that this equipment replacement should have been recorded as capital, not maintenance.

6. Operator's Report

- There are 882 meters at present including two new ones in December. Just under 7 million gallons of raw water were purchased from SRA. No customer complaints recorded. 335 total hours of run time.
- Two new underdrain filters need to be rebuilt at an estimated cost of \$42K.
- Staffing issues. Jennifer suffered a back injury and is out. Charln Stewart told Tony Farrell to contact Many for backup operators.

7. New Business - Grant Loss Discussion

- Mark McCarty of Meyer & Associates led a discussion on additional potential funding sources, including Capital Outlay, which would require State support, Drinking Water Revolving Grant funds or USDA. Conversation revolved around the potential use/sale of that portion of the property not needed for expansion. Preparation of an RFP to hire a Real Estate firm to handle sale of property was moved by Charln Stewart, seconded by Carl Jeanise and approved unanimously.
- General Discussion. Ken Fa-Kouri pointed out the problems inherent in merging with a water utility that depends on wells since the treatment is so different from lake water. He graciously offered his apologies for disruptive communications of inquiry to the PWA Board over previous weeks and appreciated the cooperation and complete disclosure of information he received in return.

8. Adjournment

- Board President Charln Stewart adjourned the meeting at 7:10 P.M.

- The next meeting of the PWA Board will be at the Toledo Town Venue on February 18 if a Work Day isn't scheduled for February 22.